Ratio Study

1984–85 Edition

International Business Forms Industries, Inc.

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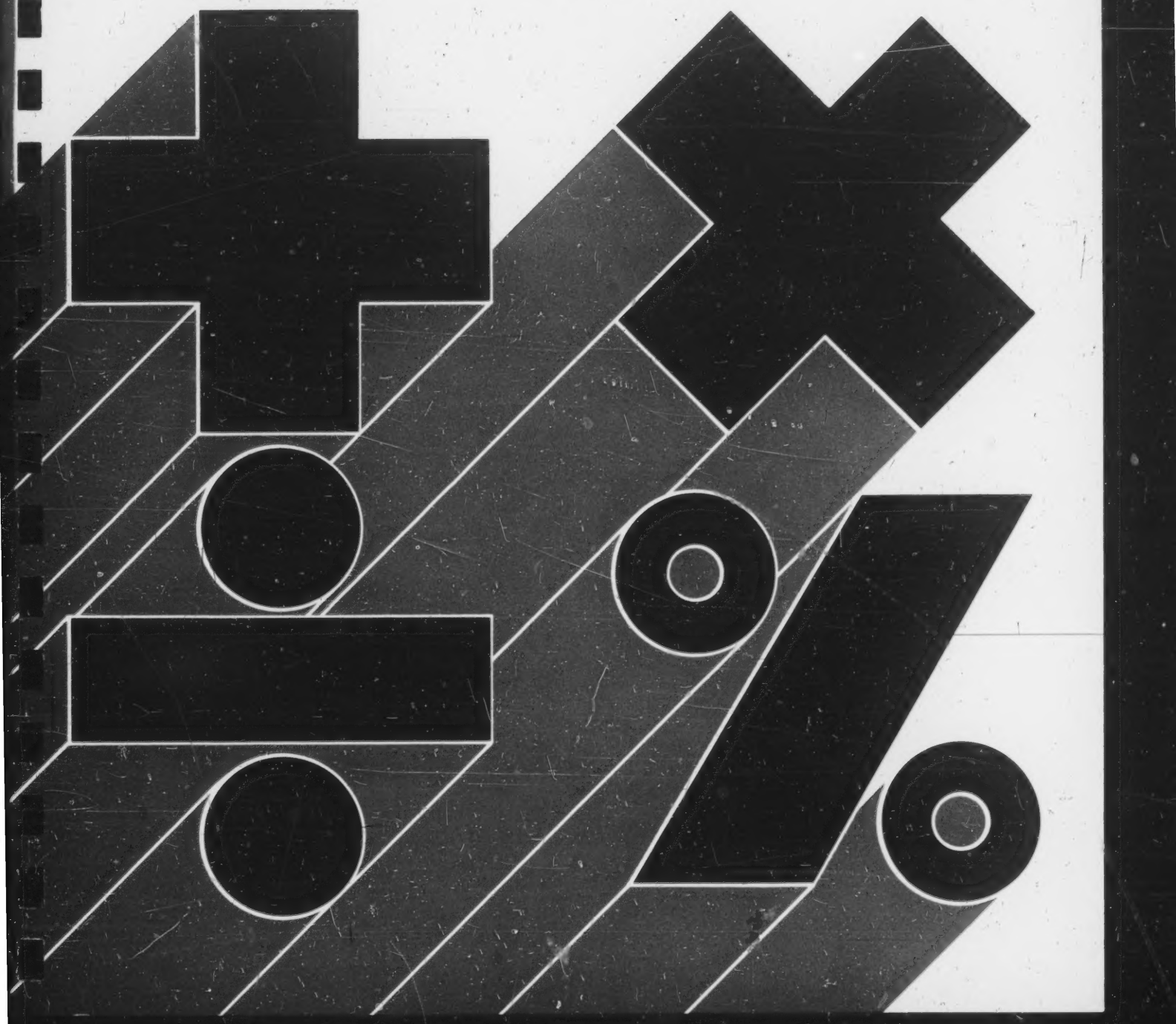

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1984-85 ANNUAL RATIO STUDY

Prepared at the direction of the IBFI Financial Management Committee of International Business Forms Industries, Inc., for the benefit of the Industry and its customers.

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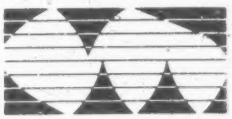

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INTRODUCTION

This report was prepared with the assistance of Feddeman, Lesche & Tate, Inc., an accounting firm that specializes in projects for trade associations. Additional assistance was rendered by the firm of Garrison, Mathieson, Cosgray & Falk. Throughout the production of this report, every possible step has been taken to ensure the confidentiality of participants' financial data.

Feddeman, Lesche & Tate conducted the study according to the IBFI Guidelines for Research Programs. While they did not audit the source data used to prepare the various schedules in the report, they did review the reports for completeness, accuracy and plausibility. Where necessary, participants were contacted on questionable items.

Published data does not include information based on fewer than three responses nor does it include information in which more than 60 percent of the observed variable is due to a single response. The criteria used to determine which companies fall in the Leaders category is Return on Sales (income before tax as a percent of sales) of at least 8%.

Please remember to use care in comparing the data in this report with that in reports published in previous years. Although the bulk of the participants make an annual reponse to this survey, in any given category the sample can change quite significantly from one year to the next.

FEDDEMAN, LESCHE & TATE
CERTIFIED PUBLIC ACCOUNTANTS

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W. KENT FEDDEMAN, CPA
ROBERT F. LESCHE, CPA
CHARLES F. TATE, CPA

June 4, 1985

To Participants
International Business Forms
Industries, Inc.
Operating Cost Survey

We have tabulated the International Business Forms Industries, Inc. Operating Cost Survey for the year ended December 31, 1984.

Eighty-two companies participated in the survey. All participants will receive individual reports which have been prepared in confidence by Feddeman, Lesche & Tate.

The data shown are derived from amounts reported to us by the participants. Source data should not be construed as having been audited by us; however, we have reviewed the questionnaires for clerical errors and missing data and, where necessary, corresponded with the reporting companies on questionable items.

If you have any questions regarding this report, please do not hesitate to contact us.

Very truly yours,

Feddeman, Lesche & Tate

Enclosures

EXECUTIVE SUMMARY

In 1984 the U.S. forms industry enjoyed perhaps its strongest year since 1979 -- at least in terms of sales. A closer look at the industry's 1984 performance, however, reveals the following:

1. Gross margins barely increased over the previous year, indicating that highly competitive pricing was the status quo for most of the industry; if not for the lower paper prices in 1984, industry margins would have been in far worse shape for the year.

2. Improved profitability remained an elusive goal for most forms manufacturers, thanks to chronic overcapacity and competition from both established competitors and the many new companies entering the short-run end of the forms market. The industry's pretax return on sales was less than in 1983 (6.3% vs. 6.9% in 1983) and ROI was virtually unchanged at 10.1%.

3. Forms manufacturers are optimistic about their future, as evidenced by the sharp increase in the amount of long-term debt that the industry is shouldering (long-term debt vs. equity ratio jumped from .25 in 1983 to .41 in 1984). This increase may also be reflective of the increased use of leveraged buyouts by managers in this and other industries.

Other industry trends reflected in the data in this report are the rise of stock continuous forms and the increasing amount of non-forms printing being done by forms manufacturers. The latter trend is occurring most frequently among firms that sell direct to the consumer. On the other hand, the biggest jump in stock continuous shipments was seen among distributor-based forms manufacturers.

ABSOLUTE DATA AND RATIOS FOR ALL FIRMS

Eighty-two companies responded to this survey, representing about 15% of the companies in the industry and 19% of industry shipments.

Almost 80% of sales were generated by companies with annual sales over $8 million. These firms also earned 80% of the profits among the firms participating in this study.

The average company in the sample earned just 6.3% on sales; for the 21 companies that qualified as profit leaders, return on sales averaged 11.4% (profit leaders must have return on sales of 8% or better). The most profitable category was firms with annual sales between $8-15 million; these earned 7.9% pretax profit on sales and achieved an 11.5% return on investment.

The accompanying table summarizes the total values for key variables.

ABSOLUTE DATA

	# of Firms	Total Sales	Value of Production	Pretax Net Income	Total Assets	Workers
ALL FIRMS	82	1,024,805,484	984,387,667	64,254,612	523,024,923	11,763
By Company Size						
Under $3 million	13	27,601,230	26,424,699	135,196	14,501,762	484
$3-8 million	34	178,874,198	171,878,963	10,707,051	90,387,957	2,324
$8-15 million	17	189,891,865	179,933,562	14,911,210	115,416,807	2,087
Over $15 million	18	628,438,191	606,150,443	38,501,155	302,718,397	6,868
By Distribution Channel						
Direct	28	459,940,015	426,487,468	27,434,326	203,228,443	5,106
Indirect	51	531,243,110	527,456,840	34,661,980	300,517,734	6,384
Combination	3	33,622,359	30,443,359	2,158,306	19,278,746	273
By Product						
Custom Continuous						
Direct	3	25,880,692	23,862,885	1,383,717	16,310,911	269
Indirect	23	277,596,139	276,157,472	23,213,269	160,938,144	3,469
Unit Sets						
Direct	3	47,471,200	45,200,635	2,010,876	19,179,506	717
Indirect	9	45,391,978	44,293,867	1,910,177	17,835,106	652
Mixed Product						
Direct	21	336,873,123	312,346,263	21,713,026	146,839,795	3,787
Indirect	18	200,790,246	199,540,754	9,159,954	117,886,460	2,208
Stock Continuous						
Direct	1	*	*	*	*	*
Indirect	1	*	*	*	*	*
By Order Size						
0 - 10,000	16	144,164,314	141,257,899	10,011,437	69,484,002	2,109
10 - 25,000	46	533,276,247	518,480,782	33,138,040	275,940,074	5,944
25 - 50,000	11	132,439,692	121,037,330	4,305,470	62,662,295	1,534
50 - 100,000	6	121,404,796	118,145,102	11,485,674	70,732,904	1,488
Over 100,000	3	93,520,435	85,466,554	5,313,991	44,205,648	688

* insufficient data

NOTES ON COMPUTING RATIOS

Gross plant investment is the total of all fixed assets before depreciation. Investment used to compute ROI is gross plant investment plus current assets.

Inventory turnover is expressed as times per year. It is total value of production divided by total inventories.

Days raw materials in inventory is computed by dividing raw materials inventory by total materials used divided by 365 days.

Collection days of receivables is computed by dividing accounts receivable by value of production divided by 365 days.

Cash flow ROI is computed by multiplying pretax net income by 50% and adding depreciation. Net losses are deducted from depreciation.

Debt/Equity ratio refers to long-term debt only.

Other ratios are self-explanatory. See the chart of accounts for a description of items included in each account.

	I.B.F.I. ALL FIRMS	I.B.F.I. LEADERS
VALUE OF PRODUCTS MANUFACTURED	97.17	97.86
OUTSIDE PURCHASES	2.83	2.14
VALUE OF PRODUCTION	100.00	100.00
COST OF PRODUCTION		
MATERIALS		
PAPER	37.90	32.93
CARBON	4.18	3.62
OTHER	2.60	2.51
OUTSIDE FINISHED PRODUCT	2.96	2.91
TOTAL MATERIALS USED	47.63	41.98
FACTORY PAYROLL		
SUPERVISORY SALARIES	2.00	2.20
WAGES DIRECT		
PREPRESS	1.95	2.10
PRESS	5.45	5.45
COLLATOR OPERATORS	2.67	3.32
GENERAL BINDERY	1.27	1.04
TOTAL DIRECT WAGES	11.34	11.91
DIRECT OVERTIME WAGES	.80	.86
GENERAL FACTORY SALARIES AND WAGES	2.04	1.60
PACKING SHIPPING AND DELIVERY WAGES	.91	.82
PAYROLL TAXES	1.38	1.33
EMPLOYEE BENEFITS	2.29	2.50
TOTAL FACTORY PAYROLL	19.96	20.36
FACTORY FIXED EXPENSES		
OCCUPANCY EXPENSE	1.88	1.92
INSURANCE	.21	.21
TAXES	.37	.32
DEPRECIATION	2.37	2.48
TOTAL FACTORY FIXED EXPENSES	4.83	4.93
OTHER FACTORY SUPPLIES AND EXPENSE	4.37	4.50
TOTAL FACTORY EXPENSE	9.20	9.42
TOTAL COST OF PRODUCTION	76.79	71.76
GROSS PROFIT-FORMS MANUFACTURING	23.21	28.24
OTHER OPERATIONS		
VALUE OF OTHER PRODUCTS OR SERVICES	1.00	.29
COST OF OTHER PRODUCTS OR SERVICES	.86	.24
GROSS PROFIT OTHER PRODUCTS OR SERVICES	.14	.06
TOTAL GROSS PROFIT	23.35	28.30

	I.B.F.I. ALL FIRMS	I.B.F.I. LEADERS
ADMINISTRATIVE EXPENSES		
EXECUTIVE SALARIES	1.48	1.33
OFFICE SALARIES	1.80	2.04
PAYROLL TAXES	.26	.32
EMPLOYEE BENEFITS	.42	.50
GENERAL OFFICE EXPENSE	2.45	2.59
R&D DEPTS	.30	.28
TOTAL ADMINISTRATIVE EXPENSE	6.72	7.06
SELLING EXPENSE		
EXECUTIVE SALARIES	.89	.41
SALESMEN SALARIES AND COMMISSIONS	3.62	4.33
SALES OFFICE CLERICAL SALARIES	1.06	1.29
PAYROLL TAXES	.28	.18
EMPLOYEE BENEFITS	.42	.34
TRAVEL AND ENTERTAINMENT EXPENSE	.52	.47
GENERAL SELLING EXPENSE	1.43	1.07
SHIPPING AND DELIVERY EXPENSE	1.03	1.40
ADVERTISING	.30	.26
TOTAL SELLING EXPENSE	9.54	9.75
TOTAL ADMINISTRATIVE AND SELLING COST	16.26	16.81
OPERATING INCOME(LOSS)	7.09	11.49
OTHER INCOME AND EXPENSE		
GROSS PROCEEDS FROM SALE OF SCRAP	.37	.43
OTHER INCOME	.65	.68
TOTAL OTHER INCOME	1.02	1.11
INTEREST EXPENSE	1.40	.76
OTHER EXPENSE	.40	.47
TOTAL OTHER EXPENSE	1.80	1.23
NET OTHER INCOME(EXPENSE)	.78-	.12-
NET INCOME(LOSS) BEFORE INCOME TAXES	6.31	11.36
RETURN ON INVESTMENT	10.12	16.62
NUMBER OF COMPANIES	82	21

	I.B.F.I. ALL FIRMS	I.B.F.I. LEADERS
CURRENT ASSETS		
CASH	3.28	4.54
NOTES AND ACCOUNTS RECEIVABLE	27.95	27.26
LESS ALLOWANCE FOR BAD DEBTS	.73	.71
NET RECEIVABLES	27.22	26.54
INVENTORIES		
RAW MATERIALS	13.06	9.77
FINISHED PRODUCTS	5.54	4.41
WORK IN PROCESS	2.39	2.03
OTHER INVENTORIES	1.48-	.21
TOTAL INVENTORIES	19.51	16.43
OTHER CURRENT ASSETS	2.88	4.91
TOTAL CURRENT ASSETS	52.88	52.41
FIXED ASSETS		
REAL ESTATE	12.15	10.82
LESS ALLOWANCE FOR DEPRECIATION	2.79	2.77
NET REAL ESTATE	9.36	8.05
MACHINERY AND EQUIPMENT	51.36	49.41
LESS ALLOWANCE FOR DEPRECIATION	28.13	27.20
NET MACHINERY AND EQUIPMENT	23.22	22.21
OTHER FIXED ASSETS	5.06	6.78
LESS ALLOWANCE FOR DEPRECIATION	1.58	1.26
NET OTHER FIXED ASSETS	3.48	5.53
TOTAL FIXED ASSETS	36.07	35.79
OTHER ASSETS	11.05	11.80
TOTAL ASSETS	100.00	100.00
CURRENT LIABILITIES		
NOTES PAYABLE WITHIN ONE YEAR	7.24	2.52
ACCOUNTS PAYABLE	10.30	9.89
OTHER CURRENT LIABILITIES	6.44	6.61
TOTAL CURRENT LIABILITIES	23.98	19.02
LONG-TERM DEBT	21.25	18.95
OTHER LONG-TERM LIABILITIES	2.57	2.28
TOTAL LONG-TERM LIABILITIES	23.82	21.22
TOTAL LIABILITIES	47.80	40.24
TOTAL NET WORTH	52.20	59.76
TOTAL LIABILITIES AND NET WORTH	100.00	100.00

	I.B.F.I. ALL FIRMS	I.B.F.I. LEADERS
EMPLOYEES		
PERCENT FACTORY	72.48	71.30
PERCENT ADMINISTRATIVE	12.65	13.41
PERCENT SALES	14.87	15.29
PRODUCTIVITY		
SALES PER GROSS PLANT INVESTMENT	2.84	2.61
SALES PER FACTORY EMPLOYEE	119372	125693
SALES PER ADMINISTRATIVE EMPLOYEE	683987	668102
SALES PER SALES EMPLOYEE	581517	586072
SALES PER ALL EMPLOYEES	86523	89614
SALES LESS MATERIAL / FACTORY EMPLOYEE	62512	72932
FINANCIAL POSITION		
CURR ASSETS VS CURR LIABILITIES	2.21	2.76
LIABILITIES VS NET WORTH	.92	.67
DEBT VS EQUITY	.41	.32
PAYROLL		
PAYROLL PER FACTORY EMPLOYEE	19452	20780
PAYROLL PER ADMIN. EMPLOYEE	22432	22519
PAYROLL PER SALES EMPLOYEE	32395	35337
PAYROLL PER EMPLOYEE	21754	23239
PREPRESS % OF FACTORY PAYROLL	11.99	12.69
PRESS % OF FACTORY PAYROLL	33.43	32.97
COLLATOR OPERATOR % OF FACTORY PAYROLL	16.39	20.06
GENERAL BINDERY % OF FACTORY PAYROLL	7.81	6.31
OVERTIME WAGES % OF FACTORY PAYROLL	4.93	5.21
TOTAL PAYROLL % OF SALES	30.18	31.09
TAXES AND BENEFITS		
TAXES AND BENEFITS / FACTORY EMPLOYEE	4374	4812
TAXES AND BENEFITS / ADMIN. EMPLOYEE	4667	5429
TAXES AND BENEFITS / SALES EMPLOYEE	4040	3035
TAXES AND BENEFITS / EMPLOYEE	4361	4623
ASSET TURNOVER		
INVENTORY TURNOVER TIMES PER YEAR	9.98	10.63
DAYS RAW MATERIAL IN INVENTORY	51.43	48.63
COLLECTION DAYS OF RECEIVABLES	51.06	55.48
INVESTMENT		
NET WORTH % OF FIXED ASSETS	144.74	166.99
AVG GROSS PLANT INVESTMENT/FACT EMPLOY	42061	48236
PROFIT		
GROSS PROFIT % OF SALES	23.35	28.30
INCOME BEFORE TAX % OF SALES	6.31	11.36
PROFIT % OF NET WORTH	23.53	33.21
CASH FLOW (ROI)	8.85	11.93
RETURN ON INVESTMENT	10.12	16.62

	UNDER $3 MILLION ALL FIRMS	UNDER $3 MILLION LEADERS	$3-8 MILLION ALL FIRMS	$3-8 MILLION LEADERS	$8-15 MILLION ALL FIRMS	$8-15 MILLION LEADERS	OVER $15 MILLION ALL FIRMS	OVER $15 MILLION LEADERS
VALUE OF PRODUCTS MANUFACTURED	95.71		97.23	96.96	95.52	96.69	97.72	98.30
OUTSIDE PURCHASES	4.29		2.77	3.08	4.48	3.31	2.28	1.70
VALUE OF PRODUCTION	100.00		100.00	100.00	100.00	100.00	100.00	100.00
COST OF PRODUCTION								
MATERIALS								
PAPER	31.22		35.35	29.10	36.14	32.91	39.45	33.49
CARBON	4.23		5.44	4.42	4.21	4.60	3.81	3.26
OTHER	3.35		2.12	2.70	2.93	1.96	2.60	2.62
OUTSIDE FINISHED PRODUCT	3.74		2.41	2.88	5.37	5.57	2.34	2.23
TOTAL MATERIALS USED	42.52		45.33	39.10	48.65	45.04	48.20	41.56
FACTORY PAYROLL								
SUPERVISORY SALARIES	2.88		2.41	2.04	1.68	2.40	1.54	2.18
WAGES DIRECT								
PREPRESS	2.19		2.25	2.38	2.32	2.01	1.75	2.08
PRESS	6.19		5.92	5.88	6.27	5.55	5.03	5.36
COLLATOR OPERATORS	2.83		3.19	2.93	2.62	2.87	2.53	3.45
GENERAL BINDERY	2.65		1.20	1.64	.97	.68	1.32	1.05
TOTAL DIRECT WAGES	13.87		12.56	12.83	12.18	11.12	10.63	11.58
DIRECT OVERTIME WAGES	.79		.75	1.15	.81	.73	.82	.85
GENERAL FACTORY SALARIES AND WAGES	2.48		1.91	1.40	1.99	1.97	2.08	1.53
PACKING SHIPPING AND DELIVERY WAGES	.74		.93	.69	.57	.62	1.01	.50
PAYROLL TAXES	1.65		1.56	1.22	1.45	1.36	1.29	1.34
EMPLOYEE BENEFITS	2.05		2.18	3.52	2.34	2.21	2.32	2.43
TOTAL FACTORY PAYROLL	23.67		21.55	21.71	20.22	19.68	19.27	20.35
FACTORY FIXED EXPENSES								
OCCUPANCY EXPENSE	2.78		2.15	1.68	2.16	2.11	1.67	1.90
INSURANCE	.44		.26	.13	.30	.26	.15	.21
TAXES	.53		.48	.73	.27	.22	.27	.29
DEPRECIATION	4.21		3.24	2.80	2.72	3.27	1.93	2.22
TOTAL FACTORY FIXED EXPENSES	7.96		6.13	5.33	5.45	5.87	4.13	4.62
OTHER FACTORY SUPPLIES AND EXPENSE	5.54		4.59	3.63	4.23	4.92	4.30	4.51
TOTAL FACTORY EXPENSE	13.51		10.72	8.96	9.68	10.79	8.43	9.13
TOTAL COST OF PRODUCTION	79.69		77.59	69.77	78.55	75.50	75.50	71.07
GROSS PROFIT-FORMS MANUFACTURING	20.31		22.41	30.23	21.45	24.50	24.10	28.93
OTHER OPERATIONS								
VALUE OF OTHER PRODUCTS OR SERVICES	.05		1.17		.23	.55	1.22	.27
COST OF OTHER PRODUCTS OR SERVICES			.88		.05	.13	1.14	.30
GROSS PROFIT OTHER PRODUCTS OR SERVICES	.05		.29		.18	.42	.09	-.03
TOTAL GROSS PROFIT	20.35		22.69	30.23	21.64	24.92	24.19	28.90

	UNDER $3 MILLION		$3-8 MILLION		$8-15 MILLION		OVER $15 MILLION	
	ALL FIRMS	LEADERS	ALL FIRMS	LEADERS	ALL FIRMS	LEADERS	ALL FIRMS	LEADERS
ADMINISTRATIVE EXPENSES								
EXECUTIVE SALARIES	2.99		2.39	2.65	2.04	1.46	.99	1.11
OFFICE SALARIES	2.71		1.80	1.48	1.21	.95	1.53	2.40
PAYROLL TAXES	.43		.29	.22	.18	.19	.26	.26
EMPLOYEE BENEFITS	.37		.43	.72	.37	.35	.44	.50
GENERAL OFFICE EXPENSE	3.34		2.60	2.60	1.94	1.14	2.52	2.57
BAD DEBTS	.46		.26	.35	.13	.06	.36	.33
TOTAL ADMINISTRATIVE EXPENSE	10.28		7.78	8.01	5.88	4.16	6.51	7.68
SELLING EXPENSE								
EXECUTIVE SALARIES	.98		.79	.59	.91	.78	.51	.28
SALESMEN SALARIES AND COMMISSIONS	3.31		2.28	3.10	2.43	3.47	4.27	4.73
SALES OFFICE CLERICAL SALARIES	.71		1.15	1.46	.84	1.17	1.12	1.30
PAYROLL TAXES	.29		.26	.18	.25	.32	.29	.14
EMPLOYEE BENEFITS	.24		.29	.54	.36	.38	.48	.30
TRAVEL AND ENTERTAINMENT EXPENSE	.54		.62	.70	.52	.41	.49	.45
GENERAL SELLING EXPENSE	.47		1.09	.67	.88	.82	1.73	1.20
SHIPPING AND DELIVERY EXPENSE	.67		.79	.93	1.34	.87	1.11	1.61
ADVERTISING	.45		.25	.27	.23	.26	.33	.26
TOTAL SELLING EXPENSE	7.65		7.52	8.44	7.48	8.50	10.82	10.27
TOTAL ADMINISTRATIVE AND SELLING COST	17.94		15.29	16.45	13.36	12.66	17.34	17.94
OPERATING INCOME(LOSS)	2.42		7.40	13.78	8.28	12.26	6.85	10.55
OTHER INCOME AND EXPENSE								
GROSS PROCEEDS FROM SALE OF SCRAP	.28		.34	.36	.43	.48	.37	.42
OTHER INCOME	.68		1.00	.96	.72	1.25	.52	.49
TOTAL OTHER INCOME	.96		1.35	1.32	1.15	1.74	.89	.91
INTEREST EXPENSE	2.10		1.79	.53	1.43	.48	1.25	.86
OTHER EXPENSE	.78		.91	.28	.13	.23	.31	.56
TOTAL OTHER EXPENSE	2.88		2.70	.80	1.56	.72	1.56	1.42
NET OTHER INCOME(EXPENSE)	1.92-		1.35-	.51	.41-	1.02	.68-	.51-
NET INCOME(LOSS) BEFORE INCOME TAXES	.49		6.05	14.29	7.87	13.28	6.17	10.44
RETURN ON INVESTMENT	.63		8.91	18.95	11.49	16.03	10.54	16.42
NUMBER OF COMPANIES	13		34	7	17	7	18	7

	UNDER $3 MILLION		$3-8 MILLION		$8-15 MILLION		OVER $15 MILLION	
	ALL FIRMS	LEADERS	ALL FIRMS	LEADERS	ALL FIRMS	LEADERS	ALL FIRMS	LEADERS
CURRENT ASSETS								
CASH	3.71		4.38	5.82	9.29	14.53	.63	.17-
NOTES AND ACCOUNTS RECEIVABLE	25.17		28.27	33.30	21.28	14.93	30.53	31.61
LESS ALLOWANCE FOR BAD DEBTS	.59		.51	.61	.74	.32	.80	.91
NET RECEIVABLES	24.58		27.76	32.69	20.55	14.61	29.73	30.70
INVENTORIES								
RAW MATERIALS	12.53		11.48	9.56	10.80	7.35	14.42	10.89
FINISHED PRODUCTS	.36		2.09	1.99	3.07	3.92	7.76	5.09
WORK IN PROCESS	1.56		2.18	1.42	1.56	1.08	2.81	2.57
OTHER INVENTORIES	.33		.19	.02	.04	.02	2.65-	.34
TOTAL INVENTORIES	14.79		15.94	12.99	15.47	12.38	22.34	18.88
OTHER CURRENT ASSETS	1.99		3.63	8.62	3.78	5.33	2.35	4.01
TOTAL CURRENT ASSETS	45.07		51.71	60.12	49.09	46.84	55.05	53.43
FIXED ASSETS								
REAL ESTATE	9.23		13.52	7.84	11.31	7.86	12.20	12.71
LESS ALLOWANCE FOR DEPRECIATION	3.19		3.29	3.09	2.70	2.80	2.65	2.70
NET REAL ESTATE	6.04		10.23	4.75	8.61	5.05	9.54	10.01
MACHINERY AND EQUIPMENT	75.58		62.24	43.91	49.82	41.92	47.53	53.80
LESS ALLOWANCE FOR DEPRECIATION	39.63		33.01	20.98	28.05	26.50	26.16	28.70
NET MACHINERY AND EQUIPMENT	35.94		29.23	22.93	21.77	15.43	21.38	25.10
OTHER FIXED ASSETS	7.97		5.41	4.30	2.26	1.79	5.88	9.48
LESS ALLOWANCE FOR DEPRECIATION	3.69		2.46	1.39	1.17	.87	1.37	1.40
NET OTHER FIXED ASSETS	4.29		2.96	2.90	1.09	.92	4.51	8.08
TOTAL FIXED ASSETS	46.27		42.42	30.59	31.47	21.40	35.43	43.19
OTHER ASSETS	8.66		5.87	9.29	19.44	31.76	9.51	3.37
TOTAL ASSETS	100.00		100.00	100.00	100.00	100.00	100.00	100.00
CURRENT LIABILITIES								
NOTES PAYABLE WITHIN ONE YEAR	8.30		8.91	4.77	6.13	1.10	7.11	2.72
ACCOUNTS PAYABLE	14.63		10.04	7.07	11.90	12.06	9.56	9.47
OTHER CURRENT LIABILITIES	5.66		6.81	6.88	4.91	4.22	6.55	7.62
TOTAL CURRENT LIABILITIES	28.59		25.75	18.71	22.94	17.38	23.62	19.81
LONG-TERM DEBT	32.30		23.33	8.99	25.70	18.31	18.41	21.12
OTHER LONG-TERM LIABILITIES	6.30		5.16	2.13	2.28	2.14	1.73	2.36
TOTAL LONG-TERM LIABILITIES	38.60		28.49	11.12	27.98	20.46	20.14	23.48
TOTAL LIABILITIES	67.19		54.24	29.83	50.92	37.83	43.75	43.29
TOTAL NET WORTH	32.81		45.76	70.17	49.08	62.17	56.25	56.71
TOTAL LIABILITIES AND NET WORTH	100.00		100.00	100.00	100.00	100.00	100.00	100.00

	UNDER $3 MILLION		$3-8 MILLION		$8-15 MILLION		OVER $15 MILLION	
	ALL FIRMS	LEADERS	ALL FIRMS	LEADERS	ALL FIRMS	LEADERS	ALL FIRMS	LEADERS
EMPLOYEES								
PERCENT FACTORY	72.31	74.48	74.29	78.10	76.59	70.11	69.43	
PERCENT ADMINISTRATIVE	16.94	14.03	11.02	11.21	9.76	12.32	14.75	
PERCENT SALES	10.74	11.49	14.69	10.69	13.66	17.57	15.81	
PRODUCTIVITY								
SALES PER GROSS PLANT INVESTMENT	2.04	2.41	2.75	2.59	2.30	3.14	2.68	
SALES PER FACTORY EMPLOYEE	79485	102308	111356	116253	117059	129535	130619	
SALES PER ADMINISTRATIVE EMPLOYEE	334997	543240	750628	809801	918518	737249	614678	
SALES PER SALES EMPLOYEE	528265	663281	562971	849747	656370	516746	573450	
SALES PER ALL EMPLOYEES	54755	76203	82722	93797	89650	90814	90690	
SALES LESS MATERIAL / FACTORY EMPLOYEE	45111	55935	67813	59702	64340	67053	76253	
FINANCIAL POSITION								
CURR ASSETS VS CURR LIABILITIES	1.59	2.01	3.21	2.14	2.70	2.33	2.70	
LIABILITIES VS NET WORTH	2.05	1.19	.43	1.04	.61	.78	.76	
DEBT VS EQUITY	.98	.51	.13	.52	.29	.33	.37	
PAYROLL								
PAYROLL PER FACTORY EMPLOYEE	15668	18227	18890	19098	18850	20288	21660	
PAYROLL PER ADMIN. EMPLOYEE	19052	22813	30977	26326	22138	21536	21591	
PAYROLL PER SALES EMPLOYEE	26453	27970	29038	35553	35623	33046	36154	
PAYROLL PER EMPLOYEE	17399	19589	21713	21667	21462	22684	23948	
PREPRESS % OF FACTORY PAYROLL	10.99	12.64	14.05	14.13	12.49	11.15	12.54	
PRESS % OF FACTORY PAYROLL	31.01	33.22	34.68	38.15	34.49	32.13	32.34	
COLLATOR OPERATOR % OF FACTORY PAYROLL	14.20	17.92	17.29	15.96	17.84	16.15	21.03	
GENERAL BINDERY % OF FACTORY PAYROLL	13.28	6.74	9.64	5.91	4.24	8.45	6.35	
OVERTIME WAGES % OF FACTORY PAYROLL	3.94	4.23	6.78	4.90	4.54	5.22	5.15	
TOTAL PAYROLL % OF SALES	35.68	31.23	32.65	28.82	28.76	30.06	31.48	
TAXES AND BENEFITS								
TAXES AND BENEFITS / FACTORY EMPLOYEE	2905	3818	5283	4409	4181	4669	4916	
TAXES AND BENEFITS / ADMIN. EMPLOYEE	2658	3928	7049	4460	4976	5203	5318	
TAXES AND BENEFITS / SALES EMPLOYEE	2779	3569	4033	5217	4621	3974	2528	
TAXES AND BENEFITS / EMPLOYEE	2850	3808	5294	4501	4315	4613	4558	
ASSET TURNOVER								
INVENTORY TURNOVER TIMES PER YEAR	12.81	12.29	11.86	10.61	9.60	8.22	10.77	
DAYS RAW MATERIAL IN INVENTORY	56.80	47.38	57.91	49.38	50.13	52.59	46.55	
COLLECTION DAYS OF RECEIVABLES	47.36	51.71	77.43	45.68	44.89	52.67	55.09	
INVESTMENT								
NET WORTH % OF FIXED ASSETS	70.51	107.89	229.38	155.94	290.56	158.74	131.29	
AVG GROSS PLANT INVESTMENT/FACT EMPLOY	38442	42396	40504	44886	50814	41251	48789	
PROFIT								
GROSS PROFIT % OF SALES	20.35	22.69	30.23	21.64	24.92	24.19	28.90	
INCOME BEFORE TAX % OF SALES	.49	6.05	14.29	7.87	13.28	6.17	10.44	
PROFIT % OF NET WORTH	2.84	25.84	31.38	26.33	25.38	22.61	37.47	
CASH FLOW (ROI)	6.13	9.23	13.19	9.71	11.96	8.57	11.71	
RETURN ON INVESTMENT	.68	8.91	18.95	11.49	16.03	10.84	16.42	

	CONSUMER ALL FIRMS	CONSUMER LEADERS	CONSUMER CONTINUOUS CUSTOM ALL FIRMS	CONSUMER CONTINUOUS CUSTOM LEADERS	CONSUMER UNIT SETS ALL FIRMS	CONSUMER UNIT SETS LEADERS	CONSUMER MIXED PRODUCT ALL FIRMS	CONSUMER MIXED PRODUCT LEADERS
VALUE OF PRODUCTS MANUFACTURED	95.06	96.27	92.48		97.27		94.83	95.83
OUTSIDE PURCHASES	4.94	3.73	7.52		2.73		5.17	4.17
VALUE OF PRODUCTION	100.00	100.00	100.00		100.00		100.00	100.00
COST OF PRODUCTION								
MATERIALS								
PAPER	35.40	33.19	28.88		24.66		34.54	33.93
CARBON	4.80	3.62	1.84		4.09		4.06	4.07
OTHER	1.96	1.65	2.94		.96		2.25	1.73
OUTSIDE FINISHED PRODUCT	5.19	5.15	8.19		3.08		5.24	5.51
TOTAL MATERIALS USED	47.34	43.62	41.85		32.79		46.49	45.24
FACTORY PAYROLL								
SUPERVISORY SALARIES	1.91	2.13	1.96		1.62		2.02	2.25
WAGES DIRECT								
PREPRESS	1.77	1.89	2.42		2.82		1.83	1.74
PRESS	4.68	4.78	5.25		4.73		4.79	4.67
COLLATOR OPERATORS	2.15	2.50	1.15		2.49		2.49	2.46
GENERAL BINDERY	1.20	.79	2.51		1.40		1.25	.67
TOTAL DIRECT WAGES	9.80	9.95	11.33		11.44		10.35	9.53
DIRECT OVERTIME WAGES	.86	.97	.37		1.10		.93	1.00
GENERAL FACTORY SALARIES AND WAGES	1.87	1.45	1.80		2.70		1.88	1.42
PACKING SHIPPING AND DELIVERY WAGES	1.10	1.21	.94		1.48		1.13	1.06
PAYROLL TAXES	1.13	1.07	1.52		.72		1.22	1.20
EMPLOYEE BENEFITS	2.04	2.08	1.98		2.35		2.21	2.00
TOTAL FACTORY PAYROLL	17.85	17.89	19.53		20.30		18.83	17.45
FACTORY FIXED EXPENSES								
OCCUPANCY EXPENSE	1.89	1.85	2.23		2.90		1.80	1.79
INSURANCE	.20	.19	.32		.39		.17	.14
TAXES	.33	.34	.48		.19		.35	.36
DEPRECIATION	1.90	1.69	2.78		1.50		1.83	1.77
TOTAL FACTORY FIXED EXPENSES	4.21	4.07	5.81		4.98		4.16	4.05
OTHER FACTORY SUPPLIES AND EXPENSE	3.89	4.52	3.16		3.84		4.18	4.70
TOTAL FACTORY EXPENSE	8.11	8.59	8.98		8.82		8.33	8.75
TOTAL COST OF PRODUCTION	73.30	70.10	70.35		61.91		73.65	71.44
GROSS PROFIT-FORMS MANUFACTURING	26.70	29.90	29.65		38.09		26.35	28.56
OTHER OPERATIONS								
VALUE OF OTHER PRODUCTS OR SERVICES	2.12	.45	.24		2.15		1.77	.51
COST OF OTHER PRODUCTS OR SERVICES	1.82	.36			5.03		1.38	.41
GROSS PROFIT OTHER PRODUCTS OR SERVICES	.30	.09	.24		2.88-		.39	.10
TOTAL GROSS PROFIT	27.00	29.99	29.89		35.21		26.74	28.66

	CONSUMER		CONSUMER CONTINUOUS CUSTOM		CONSUMER UNIT SETS		CONSUMER MIXED PRODUCT	
	ALL FIRMS	LEADERS	ALL FIRMS	LEADERS	ALL FIRMS	LEADERS	ALL FIRMS	LEADERS
ADMINISTRATIVE EXPENSES								
EXECUTIVE SALARIES	1.11	.59	2.88		1.44		1.02	.47
OFFICE SALARIES	2.21	2.60	2.20		3.33		2.15	2.38
PAYROLL TAXES	.29	.27	.24		.14		.33	.42
EMPLOYEE BENEFITS	.48	.47	.41		1.17		.40	.26
GENERAL OFFICE EXPENSE	2.30	2.77	2.77		2.91		2.28	2.52
BAD DEBTS	.31	.35	.33		.47		.31	.34
TOTAL ADMINISTRATIVE EXPENSE	6.68	7.15	8.84		9.47		6.49	6.36
SELLING EXPENSE								
EXECUTIVE SALARIES	.88	.36	3.43		.95		.52	.29
SALESMEN SALARIES AND COMMISSIONS	6.65	7.55	4.19		10.30		6.71	6.89
SALES OFFICE CLERICAL SALARIES	.92	.79	1.09		1.95		.83	.76
PAYROLL TAXES	.33	.12	.55		.39		.28	.14
EMPLOYEE BENEFITS	.52	.30	.71		.40		.52	.33
TRAVEL AND ENTERTAINMENT EXPENSE	.67	.58	.88		.65		.65	.57
GENERAL SELLING EXPENSE	1.75	1.33	1.49		3.77		1.41	1.22
SHIPPING AND DELIVERY EXPENSE	1.64	2.05	.75		.66		1.98	2.30
ADVERTISING	.19	.22	.26		.53		.14	.14
TOTAL SELLING EXPENSE	13.54	13.31	13.36		19.59		13.04	12.64
TOTAL ADMINISTRATIVE AND SELLING COST	20.23	20.46	22.20		29.06		19.53	19.03
OPERATING INCOME(LOSS)	6.77	9.54	7.69		6.15		7.21	9.63
OTHER INCOME AND EXPENSE								
GROSS PROCEEDS FROM SALE OF SCRAP	.39	.47	.09		.24		.44	.47
OTHER INCOME	.78	.78	.44		.51		.69	.75
TOTAL OTHER INCOME	1.17	1.25	.53		.76		1.13	1.22
INTEREST EXPENSE	1.54	.56	2.74		2.48		1.38	.41
OTHER EXPENSE	.34	.59	.16		.10		.42	.66
TOTAL OTHER EXPENSE	1.89	1.16	2.89		2.58		1.81	1.08
NET OTHER INCOME(EXPENSE)	.72-	.09	2.37-		1.82-		.68-	.15
NET INCOME(LOSS) BEFORE INCOME TAXES	6.05	9.63	5.32		4.33		6.53	9.77
RETURN ON INVESTMENT	10.82	17.21	6.75		7.93		11.93	17.42
NUMBER OF COMPANIES	28	8	3		3		21	7

	CONSUMER ALL FIRMS	CONSUMER LEADERS	CONSUMER CONTINUOUS CUSTOM ALL FIRMS	CONSUMER CONTINUOUS CUSTOM LEADERS	CONSUMER UNIT SETS ALL FIRMS	CONSUMER UNIT SETS LEADERS	CONSUMER MIXED PRODUCT ALL FIRMS	CONSUMER MIXED PRODUCT LEADERS
CURRENT ASSETS								
CASH	2.05	.77	6.80		2.41		1.66	.60
NOTES AND ACCOUNTS RECEIVABLE	33.24	33.91	24.68		39.59		33.82	33.53
LESS ALLOWANCE FOR BAD DEBTS	.81	.81	1.48		.97		.80	.81
NET RECEIVABLES	32.43	33.10	23.20		38.61		33.02	32.72
INVENTORIES								
RAW MATERIALS	11.50	10.60	8.65		10.14		11.83	10.81
FINISHED PRODUCTS	9.17	9.73	3.21		10.57		9.20	9.56
WORK IN PROCESS	2.76	2.73	1.46		4.07		3.07	2.53
OTHER INVENTORIES	.44	.20			.52		.54	.10
TOTAL INVENTORIES	23.86	23.27	13.32		25.30		24.65	23.00
OTHER CURRENT ASSETS	1.48	1.28	1.70		.13		1.60	1.42
TOTAL CURRENT ASSETS	59.83	58.42	45.02		66.46		60.93	57.75
FIXED ASSETS								
REAL ESTATE	12.10	9.85	21.91		2.02		10.95	11.07
LESS ALLOWANCE FOR DEPRECIATION	2.04	2.18	3.88		.62		2.12	2.45
NET REAL ESTATE	10.06	7.67	18.03		1.40		8.82	8.62
MACHINERY AND EQUIPMENT	48.37	49.53	55.66		47.67		48.94	51.96
LESS ALLOWANCE FOR DEPRECIATION	26.77	28.75	22.42		31.76		27.09	29.89
NET MACHINERY AND EQUIPMENT	21.59	20.77	33.25		15.91		21.85	22.07
OTHER FIXED ASSETS	4.51	5.15	3.09		16.11		3.16	2.59
LESS ALLOWANCE FOR DEPRECIATION	1.88	2.06	1.47		5.33		1.54	1.28
NET OTHER FIXED ASSETS	2.64	3.09	1.62		10.78		1.62	1.32
TOTAL FIXED ASSETS	34.29	31.54	52.90		28.08		32.29	32.00
OTHER ASSETS	5.88	10.05	2.08		5.46		6.79	10.24
TOTAL ASSETS	100.00	100.00	100.00		100.00		100.00	100.00
CURRENT LIABILITIES								
NOTES PAYABLE WITHIN ONE YEAR	10.46	1.36	4.17		22.66		10.04	1.22
ACCOUNTS PAYABLE	5.59	6.89	8.28		10.97		5.94	6.85
OTHER CURRENT LIABILITIES	8.45	9.96	6.17		12.11		8.53	9.21
TOTAL CURRENT LIABILITIES	28.51	18.21	18.62		45.73		28.52	17.28
LONG-TERM DEBT	20.84	9.68	51.06		25.83		16.76	7.06
OTHER LONG-TERM LIABILITIES	2.83	3.72	2.64		7.68		2.62	2.49
TOTAL LONG-TERM LIABILITIES	23.67	13.41	53.70		33.51		19.38	9.54
TOTAL LIABILITIES	52.18	31.62	72.31		79.24		47.90	26.82
TOTAL NET WORTH	47.82	68.38	27.69		20.76		52.10	73.18
TOTAL LIABILITIES AND NET WORTH	100.00	100.00	100.00		100.00		100.00	100.00

	CONSUMER ALL FIRMS	CONSUMER LEADERS	CONSUMER CONTINUOUS CUSTOM ALL FIRMS	CONSUMER CONTINUOUS CUSTOM LEADERS	CONSUMER UNIT SETS ALL FIRMS	CONSUMER UNIT SETS LEADERS	CONSUMER MIXED PRODUCT ALL FIRMS	CONSUMER MIXED PRODUCT LEADERS
EMPLOYEES								
PERCENT FACTORY	65.82	65.33	68.03		58.02		67.89	66.53
PERCENT ADMINISTRATIVE	14.55	15.57	14.87		19.67		13.70	15.33
PERCENT SALES	19.62	18.70	17.10		22.32		18.41	18.14
PRODUCTIVITY								
SALES PER GROSS PLANT INVESTMENT	3.43	3.41	1.98		3.68		3.99	3.35
SALES PER FACTORY EMPLOYEE	134839	138793	142111		111726		129260	145981
SALES PER ADMINISTRATIVE EMPLOYEE	605554	567825	655161		329633		640322	633429
SALES PER SALES EMPLOYEE	452291	484794	565359		290489		476757	535266
SALES PER ALL EMPLOYEES	88757	90671	96678		64823		87754	97114
SALES LESS MATERIAL / FACTORY EMPLOYEE	71006	78254	82639		75088		69165	79946
FINANCIAL POSITION								
CURR ASSETS VS CURR LIABILITIES	2.10	3.21	2.42		1.45		2.14	3.34
LIABILITIES VS NET WORTH	1.09	.46	2.61		3.82		.92	.27
DEBT VS EQUITY	.44	.14	1.84		1.24		.32	.10
PAYROLL								
PAYROLL PER FACTORY EMPLOYEE	19795	20467	22783		19249		19856	20808
PAYROLL PER ADMIN. EMPLOYEE	20221	18108	33026		15721		20313	18033
PAYROLL PER SALES EMPLOYEE	38191	42184	49284		38340		38416	42520
PAYROLL PER EMPLOYEE	23467	24152	28838		22815		23362	24322
PREPRESS % OF FACTORY PAYROLL	12.06	12.80	15.08		16.35		11.89	12.18
PRESS % OF FACTORY PAYROLL	31.87	32.39	32.75		27.44		31.10	32.74
COLLATOR OPERATOR % OF FACTORY PAYROLL	14.62	16.54	7.17		14.48		16.16	17.24
GENERAL BINDERY % OF FACTORY PAYROLL	8.20	5.36	15.66		8.11		8.12	4.67
OVERTIME WAGES % OF FACTORY PAYROLL	5.88	6.54	2.31		6.40		6.05	7.00
TOTAL PAYROLL % OF SALES	31.22	31.04	35.24		40.38		31.58	29.40
TAXES AND BENEFITS								
TAXES AND BENEFITS / FACTORY EMPLOYEE	4279	4363	4970		3430		4439	4671
TAXES AND BENEFITS / ADMIN. EMPLOYEE	4645	4752	4256		4338		4645	4311
TAXES AND BENEFITS / SALES EMPLOYEE	3816	2030	7124		2300		3801	2528
TAXES AND BENEFITS / EMPLOYEE	4241	3950	5232		3356		4350	4227
ASSET TURNOVER								
INVENTORY TURNOVER TIMES PER YEAR	9.35	9.44	11.97		9.58		9.18	9.56
DAYS RAW MATERIAL IN INVENTORY	39.76	40.38	47.33		46.58		41.05	39.68
COLLECTION DAYS OF RECEIVABLES	53.08	54.99	53.12		58.16		53.25	54.33
INVESTMENT								
NET WORTH % OF FIXED ASSETS	135.45	216.84	52.34		73.92		161.36	228.68
AVG GROSS PLANT INVESTMENT/FACT EMPLOY	35288	40754	71901		30334		36008	43576
PROFIT								
GROSS PROFIT % OF SALES	27.00	29.99	25.89		35.21		26.74	28.66
INCOME BEFORE TAX % OF SALES	6.35	8.63	5.32		4.33		6.53	9.77
PROFIT % OF NET WORTH	28.23	30.94	30.64		50.51		28.38	29.26
CASH FLOW (ROI)	8.62	11.63	6.90		6.71		9.30	11.86
RETURN ON INVESTMENT	10.32	17.21	6.75		7.93		11.53	17.42

	DEALER ALL FIRMS	DEALER LEADERS	DEALER CONTINUOUS CUSTOM ALL FIRMS	DEALER CONTINUOUS CUSTOM LEADERS	DEALER UNIT SETS ALL FIRMS	DEALER UNIT SETS LEADERS	DEALER MIXED PRODUCT ALL FIRMS	DEALER MIXED PRODUCT LEADERS
VALUE OF PRODUCTS MANUFACTURED	99.40	99.54	99.69	100.00	97.59		99.38	97.90
OUTSIDE PURCHASES	.60	.46	.31	.00	2.41		.62	2.10
VALUE OF PRODUCTION	100.00	100.00	100.00	100.00	100.00		100.00	100.00
COST OF PRODUCTION								
MATERIALS								
PAPER	35.85	31.77	34.25	30.93	34.54		48.09	34.76
CARBON	3.62	3.47	3.66	2.97	5.72		2.59	5.22
OTHER	3.04	3.13	3.36	3.77	2.35		2.84	.85
OUTSIDE FINISHED PRODUCT	.76	.48	.68	.08	1.80		.65	1.50
TOTAL MATERIALS USED	47.27	38.85	41.95	37.75	44.42		54.58	42.73
FACTORY PAYROLL								
SUPERVISORY SALARIES	2.09	2.30	2.23	2.25	2.44		1.83	2.45
WAGES DIRECT								
PREPRESS	2.18	2.50	2.83	2.55	2.54		1.27	2.29
PRESS	6.21	6.43	7.25	6.49	6.72		4.80	6.20
COLLATOR OPERATORS	3.11	4.30	4.16	4.69	3.77		1.59	2.94
GENERAL BINDERY	1.34	1.29	1.14	1.21	1.99		1.51	1.58
TOTAL DIRECT WAGES	12.84	14.51	15.39	14.94	15.02		9.16	13.01
DIRECT OVERTIME WAGES	.71	.60	.69	.43	.64		.77	1.20
GENERAL FACTORY SALARIES AND WAGES	2.23	1.80	2.08	1.87	2.29		2.46	1.55
PACKING SHIPPING AND DELIVERY WAGES	.76	.38	.61	.33	.77		.58	.53
PAYROLL TAXES	1.59	1.64	1.81	1.74	1.85		1.26	1.28
EMPLOYEE BENEFITS	2.54	3.09	3.00	3.26	2.33		2.05	2.49
TOTAL FACTORY PAYROLL	22.06	23.71	25.11	24.39	24.70		17.73	21.32
FACTORY FIXED EXPENSES								
OCCUPANCY EXPENSE	1.88	2.05	2.23	2.01	2.12		1.33	2.21
INSURANCE	.22	.25	.29	.27	.16		.13	.17
TAXES	.43	.33	.30	.27	.42		.61	.51
DEPRECIATION	2.86	3.37	3.19	3.27	2.88		2.44	3.75
TOTAL FACTORY FIXED EXPENSES	5.39	6.00	6.00	5.82	5.58		4.51	6.65
OTHER FACTORY SUPPLIES AND EXPENSE	4.87	4.66	4.65	4.45	5.59		4.56	5.40
TOTAL FACTORY EXPENSE	10.26	10.66	10.65	10.27	11.16		9.48	12.05
TOTAL COST OF PRODUCTION	79.59	73.22	77.71	72.41	80.28		81.79	76.10
GROSS PROFIT-FORMS MANUFACTURING	20.41	26.78	22.29	27.59	19.72		18.21	23.90
OTHER OPERATIONS								
VALUE OF OTHER PRODUCTS OR SERVICES	.11	.14	.20	.18	.01			
COST OF OTHER PRODUCTS OR SERVICES	.09	.12	.18	.15				
GROSS PROFIT OTHER PRODUCTS OR SERVICES	.01	.02	.02	.03	.01			
TOTAL GROSS PROFIT	20.42	26.80	22.31	27.62	19.73		18.21	23.90

	DEALER ALL FIRMS	DEALER LEADERS	DEALER CONTINUOUS CUSTOM ALL FIRMS	DEALER CONTINUOUS CUSTOM LEADERS	DEALER UNIT SETS ALL FIRMS	DEALER UNIT SETS LEADERS	DEALER MIXED PRODUCT ALL FIRMS	DEALER MIXED PRODUCT LEADERS
ADMINISTRATIVE EXPENSES								
EXECUTIVE SALARIES	1.79	2.23	2.35	2.46	1.55		1.09	1.41
OFFICE SALARIES	1.50	1.51	1.43	1.66	2.46		1.40	1.01
PAYROLL TAXES	.24	.27	.25	.31	.30		.21	.14
EMPLOYEE BENEFITS	.39	.54	.43	.55	.46		.32	.51
GENERAL OFFICE EXPENSE	2.59	2.43	2.71	2.63	2.24		2.54	1.71
BAD DEBTS	.31	.20	.29	.20	.58		.30	.19
TOTAL ADMINISTRATIVE EXPENSE	6.80	7.18	7.45	7.81	7.59		5.86	4.57
SELLING EXPENSE								
EXECUTIVE SALARIES	.91	.43	.60	.44	.69		1.41	.39
SALESMEN SALARIES AND COMMISSIONS	1.13	.87	.63	.88	1.41		1.71	.83
SALES OFFICE CLERICAL SALARIES	1.20	1.54	1.54	2.11	1.65		.65	1.33
PAYROLL TAXES	.23	.23	.22	.26	.19		.26	.15
EMPLOYEE BENEFITS	.33	.38	.29	.36	.24		.42	.42
TRAVEL AND ENTERTAINMENT EXPENSE	.40	.32	.48	.30	.53		.26	.39
GENERAL SELLING EXPENSE	1.19	.80	.98	.83	.58		1.63	.68
SHIPPING AND DELIVERY EXPENSE	.50	.59	.32	.54	.49		.77	.79
ADVERTISING	.39	.30	.38	.32	.25		.46	.23
TOTAL SELLING EXPENSE	6.28	5.86	5.44	6.04	6.02		7.57	5.21
TOTAL ADMINISTRATIVE AND SELLING COST	13.08	13.04	12.88	13.85	13.60		13.43	10.18
OPERATING INCOME(LOSS)	7.34	13.76	9.43	13.77	6.13		4.78	13.72
OTHER INCOME AND EXPENSE								
GROSS PROCEEDS FROM SALE OF SCRAP	.35	.36	.38	.32	.49		.26	.51
OTHER INCOME	.57	.62	.60	.61	1.06		.44	.66
TOTAL OTHER INCOME	.92	.98	.98	.93	1.55		.70	1.17
INTEREST EXPENSE	1.27	.94	1.65	.98	1.66		.64	.78
OTHER EXPENSE	.47	.38	.37	.44	1.81		.30	.15
TOTAL OTHER EXPENSE	1.74	1.31	2.02	1.42	3.47		.94	.93
NET OTHER INCOME(EXPENSE)	.82-	.33-	1.04-	.49-	1.92-		.24-	.24
NET INCOME(LOSS) BEFORE INCOME TAXES	6.52	13.43	8.39	13.28	4.21		4.54	13.97
RETURN ON INVESTMENT	5.65	16.33	11.79	16.42	7.16		7.02	16.03
NUMBER OF COMPANIES	51	12	23	7	9		18	5

	DEALER ALL FIRMS	DEALER LEADERS	DEALER CONTINUOUS CUSTOM ALL FIRMS	DEALER CONTINUOUS CUSTOM LEADERS	DEALER UNIT SETS ALL FIRMS	DEALER UNIT SETS LEADERS	DEALER MIXED PRODUCT ALL FIRMS	DEALER MIXED PRODUCT LEADERS
CURRENT ASSETS								
CASH	4.25	7.88	4.68	7.20	6.09		3.53	10.65
NOTES AND ACCOUNTS RECEIVABLE	24.49	22.69	23.56	20.86	25.05		25.38	30.08
LESS ALLOWANCE FOR BAD DEBTS	.67	.63	.80	.70	.63		.53	.35
NET RECEIVABLES	23.82	22.06	22.77	20.16	24.42		24.86	29.74
INVENTORIES								
RAW MATERIALS	14.20	8.96	11.39	8.49	12.07		18.35	10.88
FINISHED PRODUCTS	3.34	.71	.73	.59	1.60		7.12	1.22
WORK IN PROCESS	2.22	1.64	1.94	1.71	2.62		2.54	1.34
OTHER INVENTORIES	2.89-	.25	.23	.31	1.30		7.51-	
TOTAL INVENTORIES	16.86	11.56	14.29	11.10	17.59		20.09	13.44
OTHER CURRENT ASSETS	3.72	7.61	4.99	7.06	.77		2.49	9.86
TOTAL CURRENT ASSETS	48.65	49.12	46.73	45.52	48.87		50.96	63.68
FIXED ASSETS								
REAL ESTATE	11.54	10.38	11.12	10.05	11.76		11.74	11.71
LESS ALLOWANCE FOR DEPRECIATION	3.38	3.48	2.90	2.97	3.66		4.03	5.52
NET REAL ESTATE	8.16	6.90	8.21	7.08	8.10		7.72	6.18
MACHINERY AND EQUIPMENT	53.74	49.61	56.69	46.36	76.24		46.50	62.72
LESS ALLOWANCE FOR DEPRECIATION	29.49	26.86	29.58	24.37	44.20		27.27	36.91
NET MACHINERY AND EQUIPMENT	24.25	22.75	27.11	21.99	32.05		19.23	25.81
OTHER FIXED ASSETS	5.55	8.79	7.82	10.81	12.64		1.56	.59
LESS ALLOWANCE FOR DEPRECIATION	1.37	.77	1.21	.90	6.88		.80	.26
NET OTHER FIXED ASSETS	4.18	8.02	6.61	9.92	5.76		.77	.33
TOTAL FIXED ASSETS	36.60	37.67	41.93	38.99	45.90		27.71	32.33
OTHER ASSETS	14.75	13.21	11.34	15.49	5.22		21.33	3.99
TOTAL ASSETS	100.00	100.00	100.00	100.00	100.00		100.00	100.00
CURRENT LIABILITIES								
NOTES PAYABLE WITHIN ONE YEAR	5.13	3.34	6.32	3.56	5.66		2.97	2.43
ACCOUNTS PAYABLE	10.79	12.72	13.00	13.65	12.61		7.53	8.94
OTHER CURRENT LIABILITIES	5.07	4.18	5.67	4.50	7.47		3.87	2.88
TOTAL CURRENT LIABILITIES	20.99	20.23	24.98	21.71	25.74		14.37	14.25
LONG-TERM DEBT	21.11	25.08	30.03	28.23	22.67		8.55	12.37
OTHER LONG-TERM LIABILITIES	2.19	1.26	1.05	1.20	10.21		2.22	1.53
TOTAL LONG-TERM LIABILITIES	23.30	26.34	31.08	29.42	32.88		11.17	13.90
TOTAL LIABILITIES	44.29	46.58	56.06	51.13	58.62		25.54	28.15
TOTAL NET WORTH	55.71	53.42	43.94	48.87	41.38		74.46	71.85
TOTAL LIABILITIES AND NET WORTH	100.00	100.00	100.00	100.00	100.00		100.00	100.00

	DEALER ALL FIRMS	DEALER LEADERS	DEALER CONTINUOUS CUSTOM ALL FIRMS	DEALER CONTINUOUS CUSTOM LEADERS	DEALER UNIT SETS ALL FIRMS	DEALER UNIT SETS LEADERS	DEALER MIXED PRODUCT ALL FIRMS	DEALER MIXED PRODUCT LEADERS
EMPLOYEES								
PERCENT FACTORY	77.76	77.40	78.96	75.94	78.07		75.66	82.17
PERCENT ADMINISTRATIVE	11.15	10.75	11.07	11.90	10.89		11.23	7.01
PERCENT SALES	11.09	11.85	9.97	12.16	11.04		12.91	10.83
PRODUCTIVITY								
SALES PER GROSS PLANT INVESTMENT	2.50	2.08	2.27	2.07	2.53		2.86	2.12
SALES PER FACTORY EMPLOYEE	107020	110910	101013	115136	89124		120479	98155
SALES PER ADMINISTRATIVE EMPLOYEE	746134	758454	720513	734863	638937		813725	1151055
SALES PER SALES EMPLOYEE	750350	724648	795644	719144	630063		708083	744878
SALES PER ALL EMPLOYEES	83215	85846	79757	87438	69577		91356	80650
SALES LESS MATERIAL / FACTORY EMPLOYEE	56430	67822	58639	71668	49535		54716	56212
FINANCIAL POSITION								
CURR ASSETS VS CURR LIABILITIES	2.32	2.43	1.87	2.10	1.90		3.55	4.47
LIABILITIES VS NET WORTH	.79	.87	1.28	1.05	1.42		.34	.39
DEPT VS EQUITY	.38	.47	.68	.58	.55		.12	.17
PAYROLL								
PAYROLL PER FACTORY EMPLOYEE	19184	21055	20512	22326	18288		17380	17217
PAYROLL PER ADMIN. EMPLOYEE	24508	29872	27226	30241	25598		20244	27826
PAYROLL PER SALES EMPLOYEE	24339	23467	22184	24692	23610		26669	18975
PAYROLL PER EMPLOYEE	20349	22289	21422	23556	19671		18903	18151
PREPRESS % OF FACTORY PAYROLL	12.17	13.15	13.96	13.17	12.37		8.80	13.07
PRESS % OF FACTORY PAYROLL	34.66	[redacted]	35.71	33.47	32.76		33.24	35.32
COLLATOR OPERATOR % OF FACTORY PAYROLL	17.35	22.67	20.48	24.19	18.35		11.00	16.75
GENERAL BINDERY % OF FACTORY PAYROLL	7.47	6.79	5.62	6.22	9.72		10.48	9.02
OVERTIME WAGES % OF FACTORY PAYROLL	3.95	3.14	3.39	2.19	3.13		5.35	6.87
TOTAL PAYROLL % OF SALES	25.77	32.12	32.85	33.42	33.65		25.20	27.50
TAXES AND BENEFITS								
TAXES AND BENEFITS / FACTORY EMPLOYEE	4424	5243	4854	5752	3727		3985	3705
TAXES AND BENEFITS / ADMIN. EMPLOYEE	4645	6516	4867	6339	4875		4316	7500
TAXES AND BENEFITS / SALES EMPLOYEE	4205	4406	4040	4450	2688		4825	4245
TAXES AND BENEFITS / EMPLOYEE	4424	5281	4776	5664	3738		4130	4030
ASSET TURNOVER								
INVENTORY TURNOVER TIMES PER YEAR	10.48	12.40	12.03	12.56	14.46		8.52	11.85
DAYS RAW MATERIAL IN INVENTORY	62.02	58.73	57.62	58.85	38.99		71.68	58.36
COLLECTION DAYS OF RECEIVABLES	49.18	56.18	48.34	52.79	35.05		53.00	68.17
INVESTMENT								
NET WORTH % OF FIXED ASSETS	152.24	141.83	104.77	125.33	90.14		266.72	222.27
AVG GROSS PLANT INVESTMENT/FACT EMPLOY	42885	53211	44437	55518	35264		42087	46250
PROFIT								
GROSS PROFIT % OF SALES	20.42	26.80	22.31	27.62	19.73		18.31	23.50
INCOME BEFORE TAX % OF SALES	6.52	13.43	8.39	13.28	4.21		4.54	13.97
PROFIT % OF NET WORTH	20.70	36.04	32.83	37.89	25.88		10.44	30.55
CASH FLOW (ROI)	9.06	12.27	10.37	12.25	8.47		7.27	12.32
RETURN ON INVESTMENT	9.65	16.33	11.79	16.42	7.16		7.02	16.03

PRODUCT MIX BY DISTRIBUTION CHANNEL AND MAIN PRODUCT LINE (1)

INDIRECT

	All Firms	Custom Continuous	Unit Sets	Mixed Product	Stock Continuous
Custom Continuous	56.0	75.2	27.9	29.9	*
Stock Continuous	11.3	0.1	0	32.0	*
Unit Sets	25.7	19.7	70.9	26.3	*
Salesbooks	2.7	1.1	0	6.3	*
Non-Forms	3.8	3.5	0.9	4.9	*
Outside Finished Prod.	0.4	0.3	0.3	0.6	*
Services	0.1	0.1	0	0	*
TOTAL	100.0	100.0	100.0	100.0	*
Direct	9.6	0.2	11.3	22.3	*
Indirect	90.4	99.8	88.7	77.7	*

* insufficient data

(1) Based on shipment values.

PRODUCT MIX BY DISTRIBUTION CHANNEL AND MAIN PRODUCT LINE (1)

DIRECT

	All Firms	Custom Continuous	Unit Sets	Mixed Product	Stock Continuous
Custom Continuous	35.4	76.7	17.2	39.2	*
Stock Continuous	22.3	0.3	1.0	17.6	*
Unit Sets	25.1	11.9	62.6	24.5	*
Salesbooks	1.9	0	0	2.6	*
Non-Forms	7.5	2.5	14.3	8.1	*
Outside Finished Prod.	5.5	8.3	2.7	6.0	*
Services	2.3	0.3	2.2	2.0	*
TOTAL	100.0	100.0	100.0	100.0	*
Direct	92.2	90.2	98.0	90.3	*
Indirect	7.8	9.8	2.0	9.7	*

* insufficient data

(1) Based on shipment values.

PRODUCT MIX BY AVERAGE ORDER SIZE (1)
(in thousands)

	Under 10	10-25	25-50	50-100
Custom Continuous	49.1	42.2	51.6	62.7
Stock Continuous	1.6	19.3	9.1	1.6
Unit Sets	30.4	28.7	24.6	17.3
Salesbooks	8.9	0.3	3.2	5.2
Non-Forms	8.1	6.8	2.9	10.5
Outside Finished Prod.	1.8	2.2	5.6	2.7
Services	0.1	0.5	3.0	0.0
TOTAL	100.0	100.0	100.0	100.0
Direct	33.4	47.4	58.7	48.4
Indirect	66.6	52.6	41.3	51.6

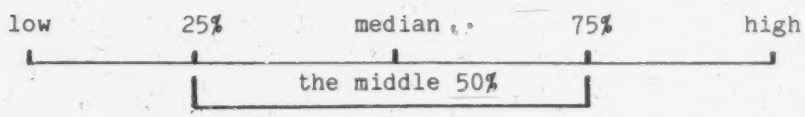
(1) Based on shipment values.

KEY RATIO ANALYSIS

What makes a particular firm a profit leader? What makes another firm a profit laggard or a middling also-ran? These are the questions that cause companies to participate in ratio studies and other market research programs. Unfortunately, ratio analysis alone will never answer such questions. There are too many other variables that change the meaning though not the numerical measurement of pre-tax nets. However, a study of industry ratios can improve your firm's performance and give you greater understanding of your firm and your industry.

This section presents ranges for some of the key line items in the standard chart of accounts. Medians and averages are useful, but few firms will ever find their results are on the statistical mid-point. Ranges allow you to see whether your own firm's deviations are fairly typical or seriously wide of the mark.

The Range:



The Range: is the difference between the largest and smallest values.

Upper Quartile: is the range of values between the 75th percentile and the highest value, thus containing the values of the upper quarter of the participants.

Lower Quartile: is the range of values between the 25th percentile and the lowest value.

Median: is the value at the 50th percentile, where half of all the values are lower and half are higher. Similar to but not the same as an average.

The Middle 50%: contains half the values below the median and half above it; is usually a good technique for eliminating extremes.

The following tables provide ranges for 17 line items, with data broken down by distribution channel, company size, and average order size.

OUTSIDE PURCHASES AS PERCENT OF SALES

	Low	25%	Median	75%	High
By Distribution Channel					
Indirect	0	0	0	0.4	14.7
Direct	0	0.4	4.0	10.4	21.9
By Company Size					
Under $3 million	0	0	1.7	7.6	19.9
$3-8 million	0	0	0	3.9	21.9
$8-15 million	0	0	0	6.8	29.0
$15+ million	0	0	0.6	3.6	10.0
By Average Order Size					
0 - 10,000	0	0	0	5.8	19.9
10 - 25,000	0	0	0	3.4	15.8
25 - 50,000	0	0	2.0	11.2	21.9
50 - 100,000	0	0	0	5.1	9.9
Over 100,000	0	0	4.1	29.0	29.0

MATERIALS AS PERCENT OF SALES

	Low	25%	Median	75%	High
By Distribution Channel					
Indirect	25.5	39.8	44.6	48.2	65.6
Direct	30.5	37.9	44.1	50.3	70.1
By Company Size					
Under $3 million	33.2	39.1	42.8	45.7	50.0
$3-8 million	25.5	39.6	45.0	48.4	64.3
$8-15 million	35.8	41.5	45.0	55.6	67.9
$15+ million	30.5	37.7	44.2	51.2	70.1
By Average Order Size					
0 - 10,000	25.5	35.1	40.3	44.9	60.8
10 - 25,000	34.2	40.2	44.6	48.2	65.6
25 - 50,000	41.8	46.1	50.2	52.5	54.2
50 - 100,000	31.2	34.7	44.5	60.3	63.4
Over 100,000	44.5	44.5	67.9	70.1	70.1

FACTORY PAYROLL AS PERCENT OF SALES

	Low	25%	Median	75%	High
By Distribution Channel					
Indirect	9.6	20.9	24.3	25.8	33.8
Direct	7.9	15.0	18.6	22.4	30.2
By Company Size					
Under $3 million	19.9	21.5	23.6	24.7	30.2
$3-8 million	9.6	18.8	22.4	25.2	29.7
$8-15 million	10.0	15.6	18.2	25.7	33.8
$15+ million	7.9	17.0	22.6	26.1	33.1
By Average Order Size					
0 - 10,000	11.2	21.4	24.1	27.9	30.2
10 - 25,000	9.6	18.1	22.2	24.8	33.8
25 - 50,000	12.9	15.0	22.4	25.6	27.2
50 - 100,000	12.5	15.7	20.5	26.0	26.4
Over 100,000	7.9	7.9	10.0	22.8	22.8

FACTORY EXPENSE AS PERCENT OF SALES

	Low	25%	Median	75%	High
By Distribution Channel					
Indirect	1.9	5.2	6.4	7.9	10.2
Direct	0	3.1	4.8	7.4	10.3
By Company Size					
Under $3 million	0	7.2	8.4	8.7	10.2
$3-8 million	3.1	5.1	6.3	7.0	10.3
$8-15 million	2.1	3.5	5.4	6.9	9.6
$15+ million	1.9	3.3	4.6	5.7	8.0
By Average Order Size					
0 - 10,000	2.4	6.1	6.9	8.7	10.3
10 - 25,000	0	4.8	5.6	7.4	10.2
25 - 50,000	3.2	3.9	5.8	7.2	7.9
50 - 100,000	2.1	2.4	3.7	4.9	5.4
Over 100,000	2.8	2.8	3.0	8.0	8.0

GROSS PROFIT

	Low	25%	Median	75%	High
By Distribution Channel					
Indirect	8.4	16.6	18.5	22.4	40.5
Direct	18.7	23.9	26.3	30.2	40.9
By Company Size					
Under $3 million	8.4	18.8	21.3	24.8	26.2
$3-8 million	14.5	17.5	21.5	25.8	40.5
$8-15 million	14.7	16.5	18.9	28.4	31.9
$15+ million	14.1	17.2	24.2	30.1	40.9
By Average Order Size					
0 - 10,000	16.6	18.9	21.8	26.5	40.9
10 - 25,000	12.6	17.5	21.4	26.2	38.3
25 - 50,000	8.4	15.5	21.9	27.2	31.9
50 - 100,000	16.0	18.0	26.8	32.1	34.9
Over 100,000	16.5	16.5	18.5	19.3	19.3

ADMINISTRATIVE EXPENSE AS PERCENT OF SALES

	Low	25%	Median	75%	High
By Distribution Channel					
Indirect	2.8	5.6	7.2	9.8	24.4
Direct	3.4	5.5	7.2	9.4	14.1
By Company Size					
Under $3 million	5.9	9.0	10.8	11.8	14.1
$3-8 million	3.6	6.6	7.5	9.2	24.4
$8-15 million	2.8	4.2	5.0	7.5	10.5
$15+ million	4.0	4.7	6.0	7.8	13.4
By Average Order Size					
0 - 10,000	4.2	6.9	10.1	12.0	24.4
10 - 25,000	2.8	5.6	7.1	8.5	13.3
25 - 50,000	4.2	5.6	6.7	10.0	14.0
50 - 100,000	3.4	3.9	5.5	8.9	9.2
Over 100,000	4.0	4.0	4.2	6.7	6.7

SELLING EXPENSE AS PERCENT OF SALES

	Low	25%	Median	75%	High
By Distribution Channel					
Indirect	1.0	3.4	5.5	7.1	12.2
Direct	8.7	11.6	13.3	15.5	20.8
By Company Size					
Under $3 million	1.0	3.5	6.5	10.9	16.1
$3-8 million	2.3	4.3	6.7	11.3	19.0
$8-15 million	1.8	3.3	6.1	13.0	13.9
$15+ million	3.3	7.0	9.0	15.2	20.8
By Average Order Size					
0 - 10,000	1.3	4.9	7.8	9.9	18.7
10 - 25,000	2.3	4.3	6.7	11.1	20.8
25 - 50,000	1.0	3.2	12.8	14.3	17.8
50 - 100,000	3.3	7.1	11.6	14.3	15.6
Over 100,000	3.3	3.3	7.8	11.3	11.3

NET PRE-TAX INCOME AS PERCENT OF SALES

	Low	25%	Median	75%	High
By Distribution Channel					
Indirect	(5.8)	2.3	4.8	7.9	20.2
Direct	(5.3)	1.1	4.5	8.4	16.0
By Company Size					
Under $3 million	(5.8)	(1.2)	0.7	2.5	7.4
$3-8 million	(5.3)	1.8	4.9	6.9	20.2
$8-15 million	0.7	3.7	7.7	11.8	18.1
$15+ million	(0.8)	1.8	5.1	9.2	17.2
By Average Order Size					
0 - 10,000	(5.3)	1.0	3.9	10.2	18.1
10 - 25,000	(3.2)	2.1	4.8	8.6	20.2
25 - 50,000	(5.8)	(0.1)	1.8	5.4	15.2
50 - 100,000	1.0	4.2	6.9	12.6	17.2
Over 100,000	0.7	0.7	4.8	8.9	8.9

RETURN ON INVESTMENT (ROI)

	Low	25%	Median	75%	High
By Distribution Channel					
Indirect	(15.9)	3.9	7.7	11.3	30.3
Direct	(5.8)	1.8	7.5	15.5	25.7
By Company Size					
Under $3 million	(15.9)	(1.7)	0.7	3.6	8.4
$3-8 million	(5.8)	2.5	7.8	12.0	25.7
$8-15 million	1.4	5.2	11.3	15.8	30.3
$15+ million	(1.1)	3.5	9.9	15.6	19.6
By Average Order Size					
0 - 10,000	(5.8)	1.6	7.3	14.4	19.5
10 - 25,000	(7.0)	3.0	7.8	13.3	30.3
25 - 50,000	(15.9)	(0.1)	3.0	9.1	23.3
50 - 100,000	2.2	4.8	14.5	16.9	19.6
Over 100,000	1.4	1.4	9.0	10.9	10.9

CASH FLOW ROI*

	Low	25%	Median	75%	High
By Distribution Channel					
Indirect	0.6	5.9	8.5	11.6	19.5
Direct	(0.1)	4.6	7.8	10.5	17.6
By Company Size					
Under $3 million	(0.1)	4.6	6.5	8.2	8.5
$3-8 million	0.4	6.5	8.9	11.4	17.6
$8-15 million	3.2	5.8	9.5	12.5	19.5
$15+ million	2.3	4.4	8.6	11.7	14.4
By Average Order Size					
0 - 10,000	0.4	5.9	8.4	12.6	16.8
10 - 25,000	(0.1)	6.5	8.6	11.3	19.5
25 - 50,000	0.6	2.5	5.7	9.3	14.4
50 - 100,000	2.9	4.8	10.1	12.3	12.4
Over 100,000	3.2	3.2	7.1	11.2	11.2

* This ROI calculation adds in depreciation expense.

GROSS INVESTMENT PER EMPLOYEE

	Low	25%	Median	75%	High
By Distribution Channel					
Indirect	9,430	32,511	38,077	52,881	80,329
Direct	12,754	34,362	42,961	63,565	86,586
By Company Size					
Under $3 million	9,430	20,599	40,904	60,507	80,250
$3-8 million	21,907	34,271	40,231	53,163	86,586
$8-15 million	11,285	36,728	52,653	61,909	80,329
$15+ million	12,754	31,478	40,953	48,710	77,068
By Average Order Size					
0 - 10,000	22,332	27,015	36,809	46,380	64,695
10 - 25,000	11,285	34,022	41,303	58,987	80,329
25 - 50,000	9,430	33,969	42,218	46,884	86,586
50 - 100,000	16,320	16,693	56,073	63,167	71,897
Over 100,000	53,111	53,111	71,700	76,870	76,870

COLLECTION DAYS OF RECEIVABLES

	Low	25%	Median	75%	High
By Distribution Channel					
Indirect	25	36	42	51	239
Direct	38	46	49	62	76
By Company Size					
Under $3 million	28	40	45	52	76
$3-8 million	29	39	42	52	239
$8-15 million	26	37	42	52	70
$15+ million	25	46	52	61	72
By Average Order Size					
0 - 10,000	26	33	42	47	65
10 - 25,000	25	39	46	54	239
25 - 50,000	39	42	51	57	62
50 - 100,000	36	38	56	67	70
Over 100,000	47	47	47	50	50

PRODUCTION DAYS, RAW MATERIALS INVENTORY

	Low	25%	Median	75%	High
By Distribution Channel					
Indirect	11	40	52	68	118
Direct	20	32	43	66	89
By Company Size					
Under $3 million	11	44	54	83	118
$3-8 million	26	36	43	66	78
$8-15 million	13	37	44	82	90
$15+ million	20	38	49	69	85
By Average Order Size					
0 - 10,000	28	46	62	82	118
10 - 25,000	13	37	46	65	87
25 - 50,000	11	30	40	68	90
50 - 100,000	36	40	54	85	89
Over 100,000	28	28	32	49	49

ANNUAL INVENTORY TURNOVER

	Low	25%	Median	75%	High
By Distribution Channel					
Indirect	6.2	11.0	12.9	16.1	47.1
Direct	4.8	7.8	9.6	12.5	27.5
By Company Size					
Under $3 million	7.4	10.0	12.5	17.6	27.5
$3-8 million	6.2	9.9	14.1	16.5	23.8
$8-15 million	4.8	9.0	11.1	13.9	47.1
$15+ million	5.4	8.7	10.2	12.5	16.5
By Average Order Size					
0 - 10,000	7.4	8.1	10.9	14.4	27.5
10 - 25,000	6.2	10.7	12.5	16.2	47.1
25 - 50,000	5.4	7.2	8.8	15.6	22.8
50 - 100,000	4.8	7.5	11.3	12.5	12.7
Over 100,000	9.2	9.2	10.8	12.5	12.5

LIABILITIES VS. NET WORTH

	Low	25%	Median	75%	High
By Distribution Channel					
Indirect	(10.7)	0.6	1.4	2.8	18.9
Direct	0.1	0.7	1.4	3.2	37.0
By Company Size					
Under $3 million	(6.2)	0.8	1.7	3.5	18.9
$3-8 million	0.1	0.9	1.5	3.0	14.0
$8-15 million	(4.2)	0.2	0.7	2.9	4.9
$15+ million	(10.7)	0.3	0.8	2.9	37.0
By Average Order Size					
0 - 10,000	0.3	0.6	1.3	2.2	6.5
10 - 25,000	0.1	0.8	1.5	3.1	18.9
25 - 50,000	(10.7)	(4.2)	1.1	2.6	6.3
50 - 100,000	0.1	0.6	0.9	12.2	37.0
Over 100,000	0.7	0.7	1.9	4.2	4.2

NET WORTH AS PERCENT OF FIXED ASSETS

	Low	25%	Median	75%	High
By Distribution Channel					
Indirect	(103.5)	42.7	88.2	142.3	571.7
Direct	7.7	57.9	112.7	171.6	886.1
By Company Size					
Under $3 million	(70.0)	33.3	69.3	147.4	403.4
$3-8 million	11.4	57.0	85.8	118.5	525.8
$8-15 million	(103.5)	52.8	166.4	275.9	886.1
$15+ million	(35.9)	57.9	110.6	154.7	571.7
By Average Order Size					
0 - 10,000	23.5	70.9	113.5	166.3	307.8
10 - 25,000	10.1	44.2	90.8	167.2	571.7
25 - 50,000	(103.5)	(35.9)	89.5	116.9	450.0
50 - 100,000	7.7	30.4	104.4	376.4	886.1
Over 100,000	52.1	52.1	64.0	147.4	147.4

DEBT VS. EQUITY

	Low	25%	Median	75%	High
By Distribution Channel					
Indirect	(5.9)	0.1	0.6	1.2	11.2
Direct	0	0.2	0.6	1.6	11.3
By Company Size					
Under $3 million	0	0.2	0.8	1.8	11.2
$3-8 million	0	0.3	0.7	1.4	4.5
$8-15 million	(2.9)	0	0.4	1.2	3.0
$15+ million	(5.9)	0	0.5	1.2	11.3
By Average Order Size					
0 - 10,000	0	0.2	0.5	1.1	3.6
10 - 25,000	0	0.1	0.7	1.7	11.2
25 - 50,000	(5.9)	0	0.6	1.1	3.8
50 - 100,000	0	0.2	0.4	5.1	11.3
Over 100,000	0.4	0.4	0.8	1.0	1.0

COST OF PRODUCTION ANALYSIS

The overall ratios in this report and the individual ratios mailed to each participant all set the value of sales equal to 100 and analyze costs and profits as a percentage of that value. Because the different marketing channels and product specialties in this industry can create sharply different costs of sales and gross profit percentages, the real differences are not always apparent.

Another way to look at the results is on a cost of production basis. In this analysis the total cost of production is set equal to 100 and the line items which comprise it are computed as percentages. In many cases this analysis gives the best comparison of manufacturing efficiencies.

The following table provides a cost of production analysis for the overall sample and by sales volume, distribution channel, and main product line.

COST OF PRODUCTION ANALYSIS

Materials

	Paper	Carbon	Other	Total Materials	Factory Payroll	Other Factory	TOTAL
ALL FIRMS	49.4	5.4	7.2	62.0	26.0	12.0	100.0
Leaders	45.9	5.0	7.6	58.5	28.4	13.1	100.0
By Company Size							
Under $3 million	39.2	5.3	8.9	53.4	29.7	16.9	100.0
$3-8 million	45.6	7.0	5.8	58.4	27.8	13.8	100.0
$8-15 million	46.0	5.4	10.6	62.0	25.7	12.3	100.0
Over $15 million	52.0	5.0	6.5	63.5	25.4	11.1	100.0
By Distribution Channel							
Direct	48.3	6.5	9.8	64.6	24.4	11.0	100.0
Indirect	50.1	4.5	4.8	59.4	27.7	12.9	100.0
By Product							
Direct							
Custom Continuous	41.0	2.6	15.8	59.4	27.8	12.8	100.0
Unit Sets	39.8	6.6	6.5	52.9	32.8	14.3	100.0
Mixed Product	47.4	5.5	10.2	63.1	25.6	11.3	100.0
Indirect							
Custom Continuous	44.1	4.7	5.2	54.0	32.3	13.7	100.0
Unit Sets	43.0	7.1	5.2	55.3	30.8	13.9	100.0
Mixed Product	58.8	3.7	4.3	66.8	21.6	11.6	100.0

VALUE ADDED ANALYSIS

Another way of examining the ratios is to separate the cost of items the company buys from what the company puts into the finished product, i.e., value added. Value added is the reflection of management's ability to successfully produce and sell the company's products. It is value added, not sales, that enables companies to meet the payroll, invest in equipment, and generate working capital for growth. In short, value added is what the company is all about.

	All Firms		Profit Leaders*	
Sales	100.0		100.0	
Materials	47.6		42.0	
Value Added	52.4	100.0	58.0	100.0
Factory Payroll		38.1		35.1
Factory Expense		17.6		16.2
Admin. Expense		12.8		12.2
Selling Expense		18.0		16.8
Operating Profit		13.5		19.8

*companies with Return on Sales of 8% or better.

As the above table illustrates, suppliers take about 48% of the average firm's sales dollar, leaving over 52% of that dollar within management's control. Of course, that share varies among companies, often depending on the product line.

After product differences, the next major difference in value added among companies comes from market channel orientation, since direct sales companies retain all of the value added that dealer sales companies must share with the distributor. A third major source of higher value added comes from pricing. Finally, the profit aspect of value added reflects the intrinsic value to the customer that the company has built into the product or the efficiency with which managers have organized to make the product.

VALUE ADDED ANALYSIS BY COMPANY SIZE

	All Firms	Leaders	Under $3 Million	$3-8 Million	$8-15 Million	Over $15 Million
Sales	100.0	100.0	100.0	100.0	100.0	100.0
Direct Materials	47.6	42.0	42.5	45.3	48.7	48.2
Value Added	52.4	58.0	57.5	54.7	51.3	51.8
			(as percent of value added)			
Factory Payroll	38.1	35.1	41.1	39.4	39.3	37.2
Factory Expense	17.6	16.2	23.5	19.6	18.6	16.3
Admin. Expense	12.8	12.2	17.9	14.2	11.5	12.6
Sales Expense	18.0	16.8	13.3	13.7	14.6	20.9
Operating Profit (1)	13.5	19.7	4.2	13.1	16.0	13.0
TOTAL	100.0	100.0	100.0	100.0	100.0	100.0

(1) Does not include Other Income and Expense

VALUE ADDED ANALYSIS BY DISTRIBUTION CHANNEL AND MAIN PRODUCT LINE

INDIRECT

	All Firms	Custom Cont.	Unit Sets	Mixed Product
Sales	100.0	100.0	100.0	100.0
Direct Materials	47.3	42.0	44.4	54.6
Value Added	52.7	58.0	55.6	45.4
	(as a percent of value added)			
Factory Payroll	41.9	43.3	44.4	39.1
Factory Expense	19.5	18.4	20.1	20.8
Admin. Expense	12.9	12.8	13.6	12.9
Sales Expense	11.9	9.4	10.8	16.7
Operating Profit (1)	13.8	16.1	11.1	10.5
TOTAL	100.0	100.0	100.0	100.0

DIRECT

	All Firms	Custom Cont.	Unit Sets	Mixed Product
Sales	100.0	100.0	100.0	100.0
Direct Materials	47.3	41.9	32.8	46.5
Value Added	52.7	58.1	64.3*	53.5
	(as percent of value added)			
Factory Payroll	33.9	33.6	31.6	35.2
Factory Expense	15.4	15.4	13.7	15.6
Admin. Expense	12.7	15.0	14.7	12.0
Sales Expense	25.7	23.0	30.5	24.2
Operating Profit (1)	12.3	13.0	9.5	13.0
TOTAL	100.0	100.0	100.0	100.0

* reflects (2.9%) gross profit on other products or services

(1) Does not include Other Income and Expense

APPENDIX A

USING THE RATIO STUDY

USING THE RATIO STUDY

The Ratio Study provides useful, perhaps invaluable, information on how a group of different companies have performed under a variety of conditions. Proper analysis of these ratios can provide your company with money-saving, profit-making ideas. Improper use of the ratios can lead to disaster.

The Key to Successful Use of the Ratio Study is to Recognize That There Will be Differences Between Your Company and the Ratio Averages.

These differences are because of the products you sell, the way you market, or the size of your operation. Other differences exist because of the way you have organized your company and directed its resources to getting the job done. The different arrays in the Ratio Study help to take these things into account. These are the differences you ought to be looking for in the ratios.

The Law of Exception states that the key to controlling your company is identifying the differences between your firm and the industry and then determining why your firm is an exception.

Observe the Rules for Ratio Analysis.

Any analysis of the ratios should go beyond the numbers themselves; it should include a look at the numbers that go into computing the ratio, as well as the formula for computation. The following rules should help you avoid being misled by the numbers.

- Compare like items and numbers. Make sure that your accounts follow the IBFI Chart of Accounts so that each line item is comparable to the ratio averages. This chart of accounts is included at the end of the book.

- Analyze all substantial deviations from the norm, both highs and lows. There are two messages in this rule. The first is not to squander time on small differences. You might want to limit analysis to only those items where you are some percentage, like 25% for instance, higher or lower than norm. The second point is to look at both highs and lows. Many companies tend to look at only the items where they exceed the ratios, forgetting that low items may point to some strength that could be used to advantage.

- Ignore isolated numbers. Look at more than one ratio before coming to any conclusions.

- When investigating a particular ratio, look at both the numerator and the denominator. A ratio is made up of one number divided by another, either one of which could be the source of the deviation.

- Recognize compensating advantages. Salaries and benefits to owners of closely-held companies, for instance, may be higher than those paid to managers of publicly-held companies while profits may be lower.

- Consider seasonal variations. The industries you serve may have a different cycle than the norm.

- Critically review trends. Look at the direction of changes in your ratios over a number of years, not just a single year.

- Be aware that financial statement figures may be misleading. Remember that assets on the balance sheet are valued at their book, as opposed to market values, and that accounting income is not the same as actual income (due to the distortions introduced by the depreciation rules and other factors).

- Lastly, do not restrict the analysis of your company to ratio analysis. Ratio analysis is just one tool for assessing a company's performance. It should be supplemented by other tools, such as cash flow analysis and market research.

Consider Several Sources When Investigating Differences Between Ratios. Any of a number of factors may be the source of a difference between your company's figure and the industry standard for a particular ratio. The most likely sources are the following:

- Product Complexity -- Generally, increasing product complexity means higher value added. It could also explain why some cost centers, where the complex work is done, are higher than average while others are lower. More complexity may also require higher capital investment, more highly skilled, higher paid people, or more working capital.

- Manufacturing Capabilities -- The resources that a firm has available in terms of equipment and people not only impact the levels of costs and investment but also may account for different distribution of costs among various cost centers.

- Production Management -- The way a company has organized its resources and its approach to each particular job affects value added, profitability, working capital requirements -- in fact, just about every ratio there is.

- Markets Served/Market Strategies -- Marketing decisions affect the kind of work that comes in, how well it fits the company's capabilities, how profitable it will be, and even how the product will be made. Marketing strategies will also impact on working capital requirements and capital investment decisions.

Take a Constructive Approach to Analysis of the Ratios.

Once you are sure of the numbers behind the differences, the hardest task is figuring out the reasons for these differences in a constructive way. That means not making qualitative judgements about whether the differences are good or bad and especially not putting anyone on the defensive.

A well-regarded forms executive described his very simple approach to the ratios. He grouped his various cost centers according to the ratio chart of accounts. He then removed his company's information from the ratio averages. (A simple process, since the ratios are unweighted averages. Simply multiply the published ratio by the number of firms, subtract your ratios from that result and divide by the number of firms minus yours.) He compared the results to find any that differed from his, even in different size companies. Then he tried to figure out why or how the differences occurred.

The managers in his company with the responsibility for each cost center were given his facts and analyses of the results, but were not put on the defensive. He described the process as kind of a game which resulted in a healthy approach to improvement, better efficiency, and sometimes lower costs.

APPENDIX B

ANALYSIS OF CAUSAL AND EFFECT RATIOS

ANALYSIS OF CAUSAL RATIOS

Ratio	Ratio Compared To Industry Norm	Operating Penalty	Possible Factors Affecting Ratio	Potential Solutions
DAY'S SALES UNCOLLECTED Credit Sales ÷ 365 = X Receivables ÷ X = Day's Sales	High	Reduced working capital--- Short-term interest cost	Product quality substandard	Establish quality assurance department
			Invoice accuracy problems	Order processing accounting changes
			Invoice timing problems	Automation of invoicing
			Inadequate credit management practices	Establish credit department, cash discounts
	Low	Lost sales	Credit policy too restrictive	Modify selling terms
			Cash and carry policy	Establish credit terms
INVENTORY TURNOVER Cost of sales ÷ avg. inventory	High	Lost sales	Delivery lead-time policy	Establish shelf stock to improve delivery
			Build-to-order policy	Forecast requirements
	Low	Reduced working capital--- Short-term interest cost	Untimely forecast	Automate forecasting/update regularly
			Inflexible scheduling	Revise master schedule/capacity plan
			Delivery lead-time policy	Lenghten delivery lead-time
			Inflexible material planning	Implement material requirements planning
			Poor variance control	Establish standard/measure variance
NET SALES/NET WORTH	High	Reduced working capital--- Short-term interest cost	High debt/equity ratio	Improve cash flow: shorten collection period,etc.
			Overtrading	Improve cash flow: shorten collection period, etc.
			Sales policies—	Develop marketing plan
	Low	Lost sales	Undertrading	Increase debt-increase development and marketing budget

ANALYSIS OF CAUSAL RATIOS (cont'd)

Ratio	Ratio Compared To Industry Norm	Operating Penalty	Possible Factors Affecting Ratio	Potential Solutions
PRETAX INCOME/SALES	High	None		
	Low	Reduced working capital--- Short-term interest cost	Pricing policies	Improve costing to determine break-even point
			High interest costs	Improve receivables collection inventory turnover
			Obsolete products	Improve responsiveness of inventory system
			Lack of product line planning	Forecasting and marketing share analysis
FIXED ASSETS/NET WORTH	High	Reduced working capital Short-term interest cost	Lack of ROI analysis	Capital budgeting procedures
	Low	Reduced capacity Missed shipments High rent costs	Lack of facility planning Scheduling problems Lack of lease approval procedures	Facility planning organization Formailized scheduling Capital budgeting procedures
MISC. ASSETS/NET WORTH	High	Depressed working capital	Management acquisition policy	Change acquisition policy

ANALYSIS OF EFFECT RATIOS

RATIO	PRINCIPAL EFFECT MEASURED
Current Ratio	Liquidity of company and ability to meet current obligations.
Current Liabilities-To Net Worth or Total Liabilities-To-Net Worth	The relative freedom of the company from creditor pressures which tend to restrict operating latitude, the current debt being that which is most pressing in nature.
Inventory-To-Working Capital	The dependence of working capital on the stated value of inventory.
Trade Receivables-To-Working Capital	The dependence of working capital on the stated value of receivables.
Long-Term Liabilities-To-Working Capital	The ability of the company to retire long-term debt and still remain liquid.
Net Profit-To-Net Worth	The return on invested capital.
Net Sales-To-Fixed Assets	The utilization of the company's capital investment.
Net Sales-To-Working Capital	The ability of working capital to support the volume of sales.

APPENDIX C

IBFI CHART OF ACCOUNTS AND RATIO STUDY QUESTIONNAIRE

International Business Forms Industries, Inc.

STANDARD CLASSIFICATION OF ACCOUNTS FOR BUSINESS FORMS COMPANIES

I. **Net Sales** -- The balance of Gross Sales for the period less Cash Allowances and Sales Discounts Earned is Net Sales.

A-E. **Business Forms Manufactured and Sold** -- Net sales of forms and printed products manufactured in your plant. Report separately the sales made through dealers and other manufacturers and the sales made directly to consumers.

G. **Forms Manufactured in Their Entirety by Others** -- Net sales of all forms sold by your company without further processing in your plant.

H. **Services and Other Products** -- Net sales of all non-printed products whether manufactured by your company or purchased for resale; and receipts for services provided and billed for such as inventory management, warehousing, systems design, etc.

II. Employee Breakowns

Classifying Employees:

Factory includes prepress personnel, machine operators and helpers, bindery personnel, maintenance and janitorial personnel, and any clerical staff that are concerned solely with production, e.g. production clerk-typists, production schedulers, inventory clerks, expediters, quality control and the like.

Administrative includes all executives or officers active in the business, their secretaries, all accounting personnel, receptionists/switchboard staff, all data processing personnel, all purchasing personnel, general file clerks, all employees of the personnel department, finished goods inventory personnel, and credit department.

Sales includes all salesmen, sales and/or marketing managers, any advertising personnel, sales service personnel, estimators, order writers, any clerical personnel assigned to the sales department and all shipping and delivery personnel.

Split duties: Personnel whose duties put them into more than one of the above categories should be split up according to a rough estimate of time, e.g. 1/3 to sales and 2/3 to production. Part-time employees should be counted as a fraction, e.g. 1/2 if an employee works a 20-hour week. Any employees who are considered to be full-time but are temporarily on short hours due to market or similar conditions should still be counted as full-time.

Operating Statement

Item

1 VALUE OF PRODUCTION -- Business Forms Manufactured and Sold.

Work in Process and Finished Goods ... Beginning of Period ... End of Period -- The inventory of work in process and finished goods at the beginning of the period is deducted from Net Sales, and the inventory of work in process and finished goods at the end of the period is added, to obtain the Value of Production for the period.

Direct Materials Used

2 Paper -- Including Carbonless Paper and Freight Expense -- Do not decrease the cost of paper by sale of scrap and plates. These proceeds should be included in other income (line 51).

3 Carbon Paper -- Includes freight expense. Include here the direct cost of carbon paper manufactured for your own use.

Item

4 Other Direct Materials -- Trade composition, binding, ink, cartons and other materials.

5 Outside Finished Products -- Cost of forms manufactured in their entirety by others and sold without further processing in your plant.

These accounts (items 2 through 5) adjusted for changes in raw material inventory, summarize the cost value of materials and outside purchases chargeable to customers or used to increase finished goods or work-in process inventories during the period.

Factory Payroll

7 Supervisory Salaries -- This account will be restricted to the compensation earned by the following factory personnel: Plant manager, plant supervisor and foreman (restricted to the following direct department foremen), prepress foreman, press foreman, collator foreman, and general bindery foreman, and an allocation of compensation earned by executives for time devoted to factory production, and to preparation and scheduling thereof.

Wages-Direct -- This account shows wages, to include vacations, holidays, sick pay, and overtime premiums paid to factory employees (including apprentices and helpers) directly engaged in production. The category has been broken down as follows: (See Item II, Employee Breakdowns, for classification of employees).

8 Prepress -- Artists, designers, strippers, hot and cold typesetters, camera operators, plate makers, and other preparatory department employees.

9 Press -- Press operators and helpers.

10 Collator Operators -- Roll collator operators and helpers.

11 General Bindery -- Operators of tippers, drills, stitchers, paper cutters, film or shrink-wrapping machines, wrappers, and packagers (do not include general shipping room labor when engaged only in placing product in the carton), belt folders, interleavers, and padders.

12 Total Paid to Direct Employees -- The total direct wages paid to employees including overtime amounts shown in item 13.

13 Direct Employee Overtime Wages -- Includes overtime and premium time pay. These amounts are to be included in item 12 above.

14 General Factory Salaries and Wages -- This account will be restricted to the wages of all factory employees other than those covered under supervisory salaries, wages direct, packing and shipping, and delivery wages. Wages should include compensation for vacations, sick leave, holidays, bonuses, and overtime premiums. Examples of employees in this category will be as follows: Warehouse and material handlers, baler operators, maintenance (plant and machine), janitorial help, watchmen, foreman of any nondirect labor department, secretaries to factory supervisors, production clerk/typists, order editors, production planners, production schedulers, production control, inventory clerk (raw materials), expeditors, change coordinators, job ticker and negative file clerks; quality control, and industrial engineers.

15 Packing, Shipping, and Delivery Wages -- This account includes shipping clerks, traffic and routing clerks, packers (not to be confused with packagers which are included in the direct wage account, general bindery), truck drivers, and shipping department foremen.

16 Payroll Taxes (Federal, state, local) -- This account is charged with government taxes for retirement, unemployment benefits, etc.

Item

17 Employee Benefits -- This account is charged with premiums or other expense of disability or sick benefit insurance or plans, life insurance, pension, retirement or profit-sharing plans, etc. as they cover factory employees.

18 Total Payroll -- does not include line 13.

FACTORY EXPENSES

Factory Fixed Expenses -- Only those which relate to manufacturing facilities.

19 Occupancy Expense -- Rent, heat, utilities, leasehold improvements, building depreciation and amortization, and building maintenance.

20 Insurance -- Real estate, property, and strike insurance.

21 Taxes -- Real estate and property.

22 Depreciation -- Current charge to accumulated depreciation accounts of fixed assets. Payments for rent or lease of machinery or equipment are, for purposes of this report, included as depreciation. (See Balance Sheet definitions, Fixed Assets)

23 Total Factory Fixed Expenses

24 Other Factory Supplies and Expenses

Prepress Supplies and Expense -- Film plates, chemicals, parts, repairs, etc.

Press Supplies and Expense -- Numbering machines, recovering rollers, fountain solutions, blankets, punches, dyes, perf wheels, parts, repairs, etc.

Collator Supplies and Expense -- Includes glue, perf rules, parts, repairs, etc.

General Bindery Supplies and Expense -- Supplies, boxes (not cartons), film wrap, staples, twine, etc.

Packing and Shipping Materials and Supplies -- Include freight cost in item 46.

26 FACTORY COST OF PRODUCTION -- This item is the sum of the Material Used, Factory Payroll, and Factory Expenses items noted above.

27 GROSS PROFIT - FORMS MANUFACTURING -- The credit remaining after deducting Factory Cost of Production from Value of Production - Forms Manufacturing.

OTHER OPERATIONS

Many predominantly business forms companies manufacture, and or sell other products and services. The sales value and costs of these other operations should not be included in the report on forms manufacturing activities. Alternately, the administrative and selling expenses incurred in these other activities often cannot be logically separated from the forms operation. This is also especially true of reporting the financial position on the balance sheet.

Item

For those companies which cannot logically separate these operations, the IBFI Standard Classification provides a standardized treatment of these items so that the ratios of all companies are roughly comparable.

28 Value of Other Products and Services -- Net sales (Item I. H) adjusted for changes in work in process and finished goods inventories.

If the value of these other products or services are included in the price of forms, (and therefore within Items I. A through E), and they are substantial enough to understate your Cost of Forms Manufacturing ratios, some separation from the sales and costs of forms is desirable. The Chart of Accounts recommends computing the Value of Other Products and Services by applying a reasonable or representative mark-up to the cost of producing or providing these products or services. Be sure that this computed Value of Other Products or Services is not also included in Item 1, Value of Production - Forms Manufacturing or in Item I. F, Business Forms Sales.

29 Cost of Other Products and Services -- The direct costs, excluding administrative and selling expenses, of producing or providing these other products or services.

30 Gross Profit - Other Products and Services -- The credit remaining after deducting costs from the value of these other operations.

31 Gross Profit - All Operations -- Item 27 plus Item 30. The ratio for Gross profit - All Operations and all following ratios are computed as a percent of Total Value of All Products and Services (Item 1 plus Item 28).

Administrative Expenses

32 Administrative Expenses - Salaries, Executive -- Includes total compensation paid to President, Treasurer, all officers active in the business, General Manager, Administrative Assistants, Controller, Accounting Supervisor, Credit Manager, Data Processing Supervisor, Director of Purchases, and Director of Personnel. If an executive spends a portion or all of his time in such areas as sales, or general plant superintendent, his salary should be allocated to those cost centers based on the percentage of time expended in each area.

33 Salaries, Office -- Includes office personnel such as secretaries to administrative executives, purchasing agent, billing clerk, bookkeeper, general file clerk, switchboard operator, data processing personnel, office manager, and finished goods inventory clerk.

34-35 Payroll Taxes - Employee Benefits -- These accounts are charged with items similar to those listed under the same classifications in Factory Payroll, as they apply to Administrative Employees.

36 General Office Expense -- This account covers all of the various general expenses such as office supplies and services (towels, minor repairs to office machines, etc.), stationery, postage, telephone and telegraph, legal and accounting fees, donations, dues, fees, and expenses of membership in trade and other associations (not primarily for selling), travel expense (not primarily for selling), space or occupancy expense, etc.

Item

37 Bad Debts -- This account provides for losses on uncollectible accounts. Some firms also include cost of credit reports, and collection expenses such as legal fees, court costs, etc.

Selling Expenses

39 Selling Expenses - Salaries, Executive -- Includes compensation to sales managers who do not primarily solicit sales, direct or dealer, marketing manager, sales trainer, sales administrator, sales promotion manager, advertising manager, and sales service manager.

40 Salaries and Commissions, Salesmen -- This account is charged with salesmen's salaries and commissions in connection with selling.

41 Sales, Sales Office Clerical -- Includes salaries of the estimator, sales service personnel, secretaries and stenographers working with sales, and order writers.

42-43 Payroll Taxes - Employee Benefits -- These accounts are charged with items similar to those listed under the same classifications in Factory Payroll, as they apply to Sales Department Employees.

44 Travel and Entertainment Expense -- Travel and miscellaneous expenses (such as entertainment of customers and prospects) are charged to this account.

45 General Selling Expense -- Space or occupancy expense, office supplies, telephone, etc.

46 Shipping and Delivery Expense -- This account includes such items as freight, express, parcel post, outside delivery services, etc. Report the net expense after delivery to the customer, i.e., the total difference between the amounts billed to the customer and the amounts paid for transportation expense to the customer.

47 Advertising -- Charge to this account the cost of mailing lists bought or compiled; the expense of preparing, printing, and mailing the firm's advertising; the cost of newspaper, radio or television advertising or promotion; directory, novelty, and other forms of advertising.

50 OPERATING INCOME OR LOSS -- This is the credit (Operating Profit) that remains after subtracting Total Administrative and Selling Expenses from Gross Profit. If the expenses exceed the Gross Profit, the difference is an Operating Loss.

Other Income and Expense

51-52 Other Income -- Include sale of scrap and plates in item 51.

54-55 Other Expense -- This category breaks out separately interest expense and miscellaneous other expenses.

57 Net Other Income or Expense -- This is the net difference between Other Income and Other Expense. If the net balance is Income, it is, of course, added to Operating Income; if the net balance is Expense, it is deducted from Operating Income.

58 NET INCOME OR LOSS (before Income Taxes)

Item

BALANCE SHEET

ASSETS

Current Assets

100 Cash -- This account shows cash in bank and on hand.

101 Notes and Accounts Receivable -- This account shows as a balance the face value of all notes and outstanding charges held against others.

102 Allowance for Bad Debts -- This makes provision for possible losses from uncollectible customers' accounts.

104-108 Inventories -- Raw Materials, Finished Products, Work in Process, and Other Inventories.

109 Other Current Assets -- Shows other current assets not already listed, such as prepaid expenses, etc.

Fixed Assets

111 Real Estate, Land, Buildings -- Represents the gross cost or value of these investments. For purposes of this report, leaseholder should capitalize their rental expense. In several states an acceptable formula is to multiply your annual rent by 8. The liability could be reported in item 98, long-term liabilities.

112 Allowance for Depreciation on Buildings -- Measures the estimated cumulative depreciation.

114 Machinery and Equipment -- Capitalize leases as in item 111.

115 Allowance for Depreciation on Machinery and Equipment -- Measures the estimated cumulative depreciation.

117 Other Fixed Assets -- This account shows all other fixed assets not listed above.

118 Allowance for Depreciation on Other Fixed Assets -- Measures the estimated cumulative depreciation.

121 Other Assets -- Covers any other assets not listed above.

LIABILITIES

Current Liabilities

123 Notes Payable Within One Year -- This account shows obligations of the business, such as negotiable paper or other written promises, which the firm is to pay within one year.

124 Accounts Payable -- Shows the liability of the business for the total of balances owed creditors and due currently.

125 Other Current Liabilities -- This account shows all other obligations payable within one year.

Item

127 Long-Term Debt -- This account shows long-term obligations of the business, in excess of one year (do not include current portions of debt).

128 Other Long-Term Liabilities -- Such as deferred taxes and deferred income.

131 NET WORTH -- This account equals total assets minus liabilities. It includes any of these capital accounts:

Corporation Capital Stock, Issued and Outstanding -- This account represents the aggregate par or stated value of the original and subsequent investments made by stockholders in the Common or Preferred Stock of a corporate form of business, less any subsequent redemptions.

Corporation Surplus and Undivided Profits (Retained Earnings) -- This account, usually found only on the books of a corporation, shows the cumulative earnings of the business not distributed as dividends and not specifically reserved for some definite purpose.

Proprietary Capital (Individual Proprietorship or Partnership) -- This account shows the present net worth or net capital of the individual proprietorship or partnership form of business.

CLASSIFYING EMPLOYEES

Part-Time Employees

One of the important facts shown in the IBFI Ratio Study is the number of full-time employees in the average firm. This is the basis for computing the highly significant Pay per Employee, and Production or Sales per Employee.

It is necessary, therefore, that your listing of the number of employees in your firm be reasonably accurate. Note that the information requested is the average number of *"full-time"* employees.

If your firm has a substantial number of part-time employees you should count them as a proportionate number of full-time employees. For example, if you have 20 part time employees who work an average of 3 months (¼ of a year), they would be equivalent (¼th of 20) to 5 full-time employees.

Split-Time Employees

It is also important that employees be classified correctly as between Factory, Administrative (office), and Selling. There are some employees whose functions overlap into two or more of these areas. For any employees, especially Executives, whose time and effort are divided between Factory (Production), Administrative and/or Selling, accuracy requires that their salaries or wages be split or apportioned accordingly.

If only a minor amount of the executive's or employee's time is split, he should be classed, and his entire wage or salary apportioned to his predominant function – Factory, Administrative or Selling. Where a split is indicated, a reasonable estimate of the split or apportionment is all that is necessary. The same rule applies to allocating production employee time between departments or jobs.

Split-Time Employees - continued

Estimators: If their function is primarily to prepare estimates for sales purposes, they should be classed as Selling Clerical. If their time is split between preparing sales estimates (Selling), checking Job Cost Sheets and preparing them for billing (Administrative), and/or compiling production records and standards (Factory), their time (salaries) should be split and apportioned accordingly.

Production Control or Scheduling: Employees who schedule and follow jobs through production to completion and delivery, should be classed as General Factory regardless of whether the work is done in the plant or in the office.

Sales Expediters. Employees whose primary job is to take over from salesmen the details of job preparation (ordering art work, photos and photo-engraving, maintaining customer contact for copy, proofs, etc.), should be classed as Selling Clerical. If they also follow jobs through the plant for production or production scheduling (Factory), their time (salaries) should be split accordingly between Selling Clerical and General Factory.

Purchasing Agents: Employees who specify and order paper, ink, and other Materials and Factory Supplies, should be classed as General Factory.

In Classifying employees, the *function* of the employee is the important consideration, not where the work is performed. Where doubt exists as to classification or split, preference should be given first to Factory, then to Selling, and finally to Administrative.

Proprietor's and Partner's "Salaries"

Proprietors or Partners should always include in their expenses of the business an adequate "salary" for their services, even if it is not actually drawn regularly. Otherwise, the real comparable profits of an unincorporated business may be grossly overstated. Of course, these "salaries" must later be deducted from expense in making tax returns. But they should be included in the expenses shown in IBFI Ratio reports from proprietorships and partnerships.

These Proprietor's or Partner's "salaries" should always be apportioned between Factory, Administrative and Selling according to reasonable estimates of time spent on each of these phases of the business, as explained above.

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1730 North Lynn Street, Arlington, Virginia 22209

OPERATING COST SCHEDULE FOR BUSINESS FORMS COMPANIES

International Business Forms Industries/PIA
1730 North Lynn Street
Arlington, Virginia 22209

Fiscal year ended _____

PLEASE!

Company code _____

Put all negative figures in parentheses.
Check your work.
Be sure to keep a copy.

Zip code _____

Number of plants covered by this report _____

READ THE DEFINITIONS BEFORE COMPLETING THIS REPORT
COMPLETED QUESTIONNAIRES SHOULD BE RETURNED NO LATER THAN MARCH 18

	To Dealers		To Consumers		Total
I. Sales by Product and Distribution					
Business Forms:					
A. Continuous Custom	$	+		= $	
B. Continuous Stock	$	+		=	
C. Unit sets		+		=	
D. Sales/manifold books		+		=	
E. Commercial printing and other forms		+		=	
F. **Total products manufactured** *(sum of A-E)*	$	+		= $	
G. Forms manufactured in their entirety by others		+		=	
H. Services and other products		+		=	
I. **Total Sales** *(sum of F-H)*	$	+		= $	

II. Employee break-downs *(numbers of all paid employees including executives, partners, or owners)*

J. Factory *(average)* _____

K. Administrative *(average)* _____

L. Sales Department *(average)* _____

M. Total employees *(sum of J-L)* _____

III. Average Order Size—number of sets in an average order *(check one)*:

☐ Under 10M ☐ 10-25M ☐ 26-50M ☐ 51-100M ☐ Over 100M

PLEASE!

Put all negative figures in parentheses.
Check your work.
Be sure to keep a copy.

FORMS MANUFACTURING

	Omit Cents	Omit Cents
Computation of Value of Production—Forms Manufacturing		
Net sales for latest fiscal year *(item F from page 1)*		
Less work in process and finished goods, beginning of year balances		
Add work in process and finished goods, end of year balances		
1a. Value of products manufactured		
1b. Outside purchases *(item G from page 1)*		
1. **Value of Production—Forms Manufacturing** *(1a. plus 1b.)*		
Cost of Production:		
Materials:		
2. Paper		
3. Carbon		
4. Other *(trade composition, binding, ink, carbons)*		
5. Outside finished products		
6. Total materials used *(sum of items 2-5)*		
Factory Payroll:		
7. Supervisory salaries		
Direct Wages *(including overtime but not payroll taxes or benefits)*		
8. Prepress		
9. Press		
10. Collator Operators		
11. General binders		
12. Total paid to direct employees *(sum of items 8-11)*		
13. Direct employee overtime wages *(included in 12 above)*		
14. General factory salaries and wages		
15. Packing, shipping, and delivery wages		
16. Payroll taxes for all employees		
17. Employee benefits for all employees		
18. Total factory payroll *(sum of items 7, 12, 14, 15, 16, 17; exclude line 13)*		
Factory Fixed Expenses:		
19. Occupancy expense		
20. Insurance		
21. Taxes *(real estate, property)*		
22. Depreciation		
23. Total factory fixed expenses *(sum of items 19-22)*		
24. Other factory supplies and expense		
25. Total factory expense *(sum of items 23, 24)*		
26. Total cost of production *(sum of items 6, 18, 25)*		
27. Gross profit—Forms Manufacturing *(item 1 less item 26)*		

PLEASE!

Put all negative figures in parentheses.
Check your work.
Be sure to keep a copy.

OTHER OPERATIONS

	Omit Cents	Omit Cents
28. Value of other products or services *(item H adjusted for changes in inventories)*		
29. Cost of other products or services		
30. Gross Profit–Other Products or Services *(item 28 less item 29)*		
Forms Manufacturing and Other Operations		
31. Total Gross Profit–All Operation *(item 27 plus or minus 30)*		
Administrative Expenses		
32. Salaries, executive		
33. Salaries, office		
34. Payroll taxes		
35. Employee benefits		
36. General office expense		
37. Bad debts		
38. Total administrative expense *(sum of items 32-37)*		
Selling Expense		
39. Salaries, executive		
40. Salaries and commissions, salesmen		
41. Salaries, sales office clerical		
42. Payroll taxes		
43. Employee benefits		
44. Travel and entertainment expense		
45. General selling expense		
46. Shipping and delivery expense		
47. Advertising		
48. Total selling expense *(sum of items 39-47)*		
49. Total administrative and selling cost *(items 38 and 48)*		
50. Operating income (loss) *(item 31 less item 49)*		
Other Income and Expense *(Please be sure to put negative items in parentheses)*		
51. Gross proceeds from sale of scrap		
52. Other income		
53. Total other income *(items 51 & 52)*		
54. Interest expense		
55. Other expense		
56. Total other expense *(items 54 & 55)*		
57. Net other income (expense) *(item 53 less item 56)*		
58. Net income (loss) before income taxes *(item 50 plus or minus item 57)*		

(OVER FOR BALANCE SHEET)

PLEASE!

Put all negative figures in parentheses.
Check your work.
Be sure to keep a copy.

BALANCE SHEET
ASSETS

		Omit Cents	Omit Cents
Current Assets			
100.	Cash		
101.	Notes and accounts receivable		
102.	Less allowance for bad debts		
103.	Net receivables *(item 101 less item 102)*		
Inventories			
104.	Raw materials		
105.	Finished products		
106.	Work in process		
107.	Other inventories		
108.	Total inventories *(sum of items 104-107)*		
109.	Other current assets		
110.	Total current assets *(sum of items 100, 103, 108, 109)*		
Fixed Assets			
111.	Real estate *(land and building)*		
112.	Less allowance for depreciation on buildings		
113.	Net real estate *(item 111 less 112)*		
114.	Machinery and equipment		
115.	Less allowance for depreciation on machinery and equipment		
116.	Net machinery and equipment *(item 114 less item 115)*		
117.	Other fixed assets		
118.	Less allowance for depreciation		
119.	Net other fixed assets *(item 117 less item 118)*		
120.	Total fixed assets *(items 113, 116, 119)*		
121.	Other assets		
122.	Total assets *(items 110, 120, 121)*		

LIABILITIES AND NET WORTH

Current Liabilities			
123.	Notes payable within one year		
124.	Accounts payable		
125.	Other current liabilities		
126.	Total current liabilities *(sum of items 123-125)*		
127.	Long-term debt		
128.	Other long-term liabilities		
129.	Total long-term liabilities *(sum of items 127 and 128)*		
130.	Total liabilities *(sum of items 126 and 129)*		
131.	Total net worth *(item 122 less 130)*		
132.	Total liabilities and net worth *(sum of items 130 and 131)*		

NAME OF PERSON TO CONTACT IN CASE OF QUERIES: _____